

**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, 2022**

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 14, 2022

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 11 to the financial statements, during the year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds is presented for purposes of additional analysis and is 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022 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, 2022

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, 2022 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 \$299.7 million of which it received \$398.4 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 \$169.1 million as a result of this year's operations.
- At June 30, 2022, combined net position for all activities was a deficiency of \$120.9 million mainly as a result of recognizing other postemployment benefits (OPEB) liability of \$306.8 million.
- At June 30, 2022, combined capital assets including leased assets, net of depreciation were \$529.3 million.
- The combined depreciation and amortization expense for all activities was \$11.6 million.
- The total long-term bonds payable, as of June 30, 2022, were \$290.9 million, a decrease of \$24.2 million from the prior year.

Fund Financial Statement Overview

- The total revenue for all governmental funds was \$626.0 million which was an increase of \$80.1 million or 14.7% over the 2020-2021 year.
- The final General Fund budget (including the prior year's encumbrances and amendments) of \$477.9 million was an increase of \$36.0 million or 8.1% over the 2020-2021 budget.
- General Fund revenues (including operating transfers in) of \$475.5 million were an increase of \$29.9 million or 6.7% over the prior year.
- General Fund expenditures (including operating transfers out) of \$421.5 million were an increase of \$1.4 million or 0.3% over the prior year.
- The General Fund's fund balance increased by \$54.0 million from \$99.9 million to \$153.9 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"> • Statement of Net Position • Statement of Activities and Changes in Net Position 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows of resources/liability/deferred inflows of resources information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, short-term and long-term	Generally, assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due or available during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows of resources (if any), liabilities, and deferred inflows of resources (if any) both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid (Trust Fund only)

USING THIS ANNUAL REPORT (Continued)

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

USING THIS ANNUAL REPORT (Continued)

Fund Financial Statements - (Continued)

The School District has three types of activities:

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

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

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

In Table 2, total governmental assets increased by \$157.1 million, or 19.1%. The School District's proportionate shares of the New York State Teachers' Retirement System's (NYSTRS) and New York State and Local Employees' Retirement System's (NYSERS) net pension assets increased from net liabilities of \$31.8 million to net pension assets of \$199.0 million this year. Additionally, the School District's net capital assets increased \$31.0 million as JSCB Phase II renovations continue. These increases were partially offset by the decrease of \$78.6 million in cash balances at yearend. In the prior year, the School District had cash on hand at yearend to pay off the Revenue Anticipation Note (RAN) borrowing due the next month, but this year's RAN was paid off earlier in the Spring.

Total liabilities decreased by \$185.8 million or 19.8% mainly due to a decrease of \$43.0 million in the District's long-term liability for other postemployment benefits (OPEB) this year, a \$31.7 million decrease in the School District's share of the NYSTRS pension liability, the reduction in bonds payable for the \$24.2 million of principal payments made, and a reduction of \$5.8 million in accrued payroll as negotiated collective bargaining unit contract settlements were paid out. The School District also had a \$86.0 million RAN that was outstanding at yearend in the prior year and no RAN outstanding at yearend in the current year.

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

	Governmental Activities		Percentage
	2021	2022	Change
	(as restated)		
Assets			
Current and Other Assets	\$ 322,078	\$ 249,199	-22.6%
Non-current Assets	498,359	728,337	46.1%
Total Assets	<u>820,437</u>	<u>977,536</u>	19.1%
Deferred Outflows of Resources	<u>203,820</u>	<u>199,192</u>	-2.3%
Liabilities			
Bonds Payable - Due in One Year	28,322	28,825	1.8%
Bonds Payable - Due in More Than One Year	332,223	303,398	-8.7%
Other Liabilities	580,005	422,503	-27.2%
Total Liabilities	<u>940,550</u>	<u>754,726</u>	-19.8%
Deferred Inflows of Resources	<u>373,710</u>	<u>542,932</u>	45.3%
Net Position			
Net investments in capital assets	197,618	217,113	9.9%
Restricted	70,381	31,749	-54.9%
Unrestricted (deficit)	(558,002)	(369,793)	-33.7%
Total Net Deficit	<u>\$ (290,003)</u>	<u>\$ (120,931)</u>	-58.3%

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

Deferred outflows of \$199.2 million and deferred inflows of \$542.9 million, a decrease of \$4.6 million and an increase of \$169.2 million, respectively from the prior year, were also recognized this year in accordance with Governmental Accounting Standards Board (GASB) Statements No. 68 and 71 for the School District's shares of the NYSERS and NYSTRS pensions, OPEB liability, lottery aid advance and bond refundings.

The School District's combined governmental net deficit decreased by approximately \$169.1 million or 58.3%. At June 30, 2022, the total liabilities and deferred inflows of resources exceeded the total assets and deferred outflows of resources by \$120.9 million (net deficit).

As shown in Table 3 below, the School District's total revenues from governmental activities increased by \$76.0 million to \$592.5 million with the inflow of federal stimulus funding from the American Rescue Plan Act of 2021 (ARPA) and the 2021 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and phase-in of additional State Aid to fully fund Foundation Aid.

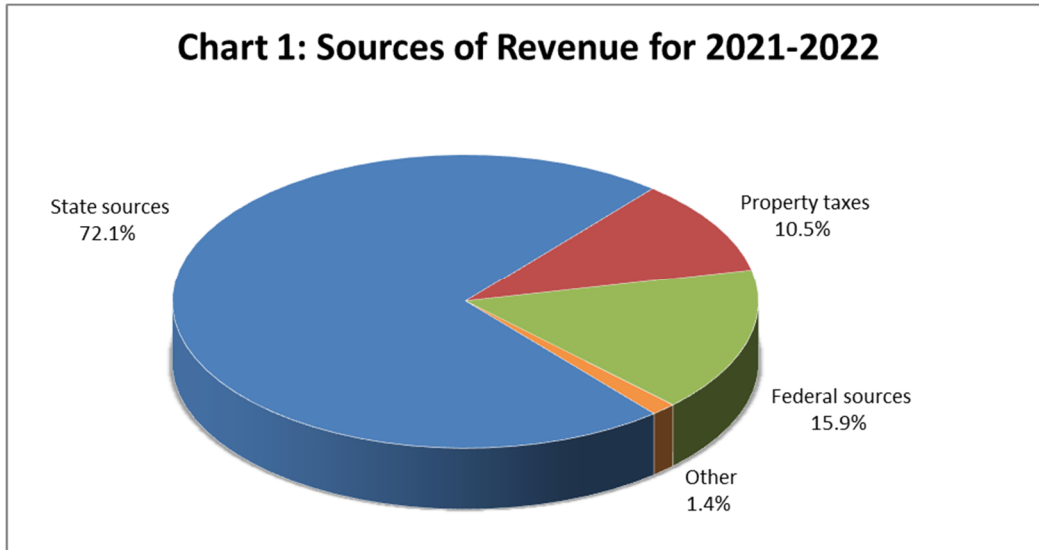
The cost of all governmental programs and services decreased by 7.8% or \$35.6 million due to the reduction in expenses caused by the reduction in the School District's OPEB liability valuation and change in the School District's share of NYSERS' and NYSTRS' pension assets from a net liability in the prior year to a net asset in the current year, which outweighed the cost increases associated with the return to in-person instruction and increases in spending for CRRSA and ARPA initiatives.

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

	Governmental Activities 2021	2022	Percentage Change
Revenues			
Program Revenues:			
Charges for Services	\$ 360	\$ 361	0.3%
Operating Grants and Contributions	73,969	123,453	66.9%
General Revenues:			
Property Taxes and Other Taxes	61,999	63,287	2.1%
State and Local Sources	360,952	393,934	9.1%
Federal Sources	16,482	4,483	-72.8%
Use of Money and Property	84	168	100.0%
Miscellaneous	2,719	6,857	152.2%
Total Revenues	<u>516,565</u>	<u>592,543</u>	14.7%
Expenses			
General Support	58,918	64,959	10.3%
Instruction	361,847	311,960	-13.8%
Pupil Transportation	14,985	21,000	40.1%
Community Service	1,503	1,451	-3.5%
School Food Service Program	10,040	13,336	32.8%
Interest	11,782	10,765	-8.6%
Total Expenses	<u>459,075</u>	<u>423,471</u>	-7.8%
Increase (Decrease) in Net Position	<u>\$ 57,490</u>	<u>\$ 169,072</u>	-194.1%

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

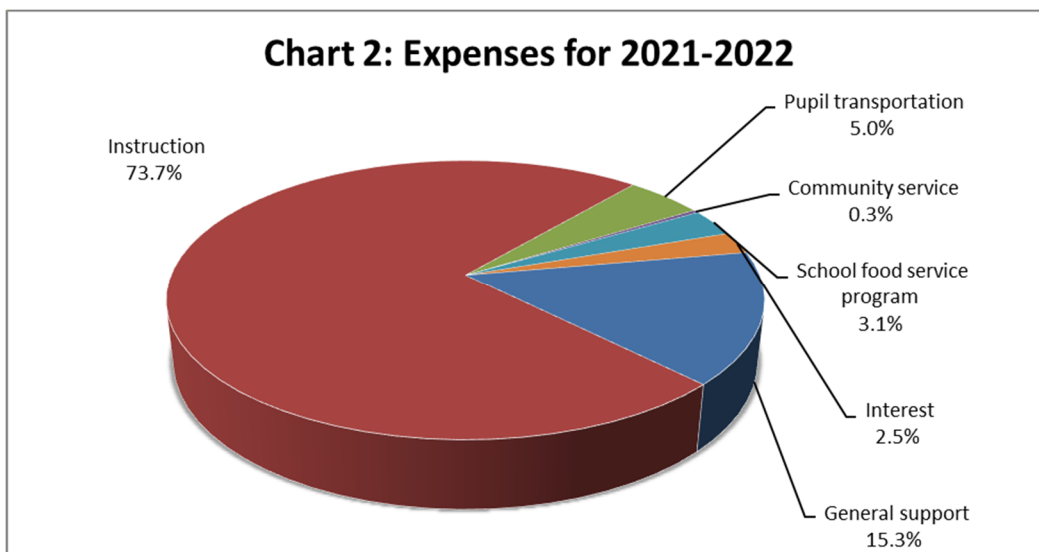
The School District is dependent on New York State and Federal funding sources for financing day to day operations with these two funding sources comprising 88.1% of total Governmental Activities revenue as shown in Chart 1 below. This dependency results in sensitivity to changes in the State's fiscal condition as well as changes in the State and Federal governments' funding priorities.



The School District spent 73.7% of total expenditures on Instruction including salaries and benefits for Teachers and Teaching Assistants and instructional supplies and 3.1% providing meals to students through the School Food Service Program as shown in Chart 2 below.

Pupil Transportation services to transport all eligible students who are residents of the School District to sites both within and outside of the School District utilized 5.0% of total expenditures.

General Support services such as custodial, maintenance, security, information technology, human resources and business administrative services made up approximately 15.3% of total expenditures.



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

At June 30, 2022, the School District's governmental funds reported a combined fund balance of \$182.9 million, which is an increase of \$15.6 million from the prior year's combined fund balance of \$167.3 million. The fund balance represents the accumulated results of the current and all previous years' operations.

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

General Fund

The General Fund's fund balance at June 30, 2022, is \$153.9 million, which is an increase of \$54.0 million from the prior year's fund balance of \$99.9 million. Of the balance at June 30, 2022, \$71.2 million was unassigned. The unassigned fund balance represents 16.9% of the total current year General Fund expenditures, while total fund balance represents 36.5% of that same amount. The School District Board of Education has committed \$10 million for the Countywide STEAM High School construction project, \$10 million for Capital Projects, \$20 million for a minimum 4% set-aside and \$6.1 million for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives. Additionally, \$25 million was assigned to balance future years' budgets when the federal pandemic relief funds phase-out in 2023-24 and 2024-25 fiscal years.

JSCB

At June 30, 2022, JSCB, a blended component unit, reported a fund balance of \$11.8 million, which is a decrease of \$35.9 million from the prior year's fund balance of \$47.7 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 \$465.8 million, consisting of the current year's operating budget of \$460.3 million and prior year's encumbrances of \$5.5 million. The final amended budget was increased by \$12.1 million to \$477.9 million of expenditures, which included \$472.4 million for the current year's operations and \$5.5 million for the prior year's encumbrances. The amendment made during the year included revenue increases for the addition of Federal CARES Act funding, Shared Services revenue and interfund revenue from federal grants. Expenditure increases for positions that were originally planned to be paid on federal grants, but will instead be paid on the General Fund and other staffing increases, Extended Learning Time at six schools, contracts and the purchase of iPads for K-2 classrooms were also included in the amendment.

The actual charges to appropriations (expenditures) were \$56.4 million or 11.8% less than the final budget amount of \$477.9 million. Salary and related benefit costs including retirement, FICA and Medicare costs were \$19.7 million less than planned due to position vacancies caused by staffing shortages, reduced availability of substitute coverage services and reduced professional development and extensions of services. Health and prescription costs were less than budget by \$14.5 million. The School District is self-insured paying actual claims as incurred, so dollar-for-dollar savings were recognized from this year's lower than anticipated claim volume with fewer enrollees due to position vacancies and wellness care and elective procedure levels not returning to pre-pandemic levels as anticipated, as well as continued cost savings from implementing a Medicare Advantage Prescription Drug (MAPD) plan and a high deductible healthcare plan for new hires.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Transportation costs were \$4.5 million less than plan due to the continued bus driver and bus attendant shortages requiring the School District to consolidate routes, rework school start times to reduce the number of buses needed by increasing the trips per bus, and reduce fieldtrip and afterschool programming due to lack of drivers. Charter school tuition was \$2.3 million less with approximately 200 fewer students enrolled than forecasted. Interest savings of \$2.8 million were recognized from issuing the annual revenue anticipation note borrowing for a lower amount for a shorter period at a lower interest rate. Interfund support for early education programs was \$2.1 million less as enrollment continued at lower levels instead of rebounding to pre-pandemic levels as anticipated. Additionally, encumbrances of an estimated \$7.1 million were outstanding at yearend for goods and services ordered but not yet received due to the impact of supply chain delays and labor and product shortages.

Resources available for appropriation (revenues) excluding the use of fund balance were approximately \$3.1 million, or 0.7% more than the final budgeted amount of \$472.4 million. The School District received an unplanned New York State Workers' Compensation Board Section 15(8) Wholesale Waiver Settlement of \$6.1 million. This was partially offset by lower than anticipated State Aid mainly as a result of lower High Cost Excess Cost Aid and BOCES and Special Services Aid due to the actual student needs and reduced enrollment and attendance.

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, 2022.

CAPITAL ASSETS

At June 30, 2022, the School District had \$529.3 million, net of depreciation and amortization, invested in a broad range of capital assets, including land, buildings, athletic facilities, vehicles, software and other equipment for governmental activities. This amount represents a net increase of \$31.0 million or 6.2% from last year. The School District added an additional \$38.1 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 \$44.9 million from construction in progress to fixed assets for the completion of reconstruction, technology, and energy improvement projects at Bellevue Elementary and Grant Middle School.

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

	Governmental Activities		Percentage
	2021	2022	Change
	(as restated)		
Land	\$ 1,480	\$ 1,480	0.0%
Land Improvements	2,372	3,446	45.3%
Buildings and Improvements	247,619	282,747	14.2%
Furniture and Equipment	4,891	7,075	44.7%
Vehicles	1,772	1,600	-9.7%
Software	570	330	-42.1%
Right-to-use Leased Assets	1,369	1,134	-17.2%
Construction in Progress	238,286	231,521	-2.8%
Total	<u>\$ 498,359</u>	<u>\$ 529,333</u>	6.2%

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

DEBT ADMINISTRATION

At June 30, 2022, the School District had \$290.9 million of bonds payable outstanding compared to \$315.1 million last year, a decrease of \$24.2 million or 7.7% as a result of principle payments made during the year. New debt issuances are not anticipated to be needed again until JSCB Phase III construction begins.

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

NEXT YEAR'S BUDGET

In developing the School District's 2022-23 budget, great care was taken to consider the health, safety and well-being of our students and staff while maintaining focus on the needs of our students and staff, the feedback from many stakeholders in our community, and 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 2022-23 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 continue to have long lasting impacts on the needs of our students and on our District's finances. In the 2022-23 school year, the District will continue to benefit from federal stimulus funding which will be expended in accordance with the American Rescue Plan Act of 2021 (ARPA) and the 2021 Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) plans approved by the State Education Department. We remain committed to sound fiscal stewardship in the use of the federal stimulus funds and state aid in the development of the 2022-23 budget and operational plans.

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.

For 2022-23, 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 LeMoyne. The School District will continue to have high expectations for our staff and students and to build the supports needed to help them achieve their goals as they persevere in the current circumstances.

In comparing the 2022-23 Budget to the prior year's budget, state aid is increasing as a result of the 2-year phase-in plan to fully fund Foundation 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 \$1.0 million from the 2021-22 amended budget amount and State Aid increased by approximately \$15.1 million or 3.9% mainly due to an increase in Foundation Aid funding. No fund balance is planned to be used to fund operations in 2022-23.

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 2022 which allows school districts to accrue a portion of their subsequent year's State Aid into the current fiscal year.

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

LOOKING FORWARD – CHALLENGES AND OPPORTUNITIES FOR THE SCHOOL DISTRICT

Challenges

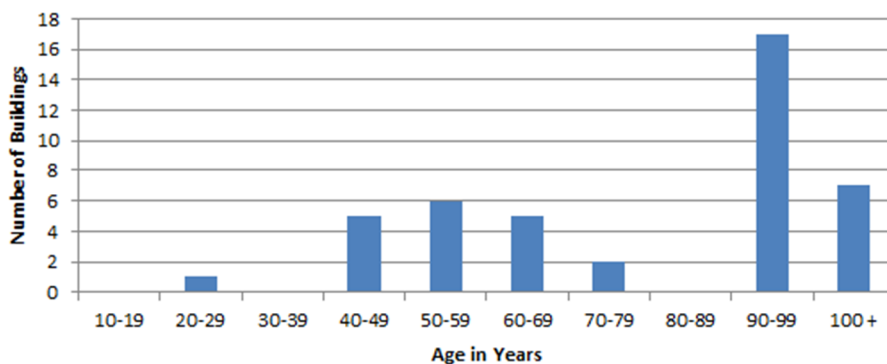
As a dependent school district without the authority to raise taxes or issue debt, the School District is directly affected by Local and State economic conditions. Like many urban districts, the School District operates in an environment of fluctuating enrollment, increasing costs of operations (primarily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

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

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

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

Table 5 - Age of Active School Buildings



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

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

Notable Initiatives

Syracuse City School District Educational Foundation

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

Greater Syracuse Land Bank

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

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

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

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.

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

STEAM High School

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

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

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.

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.

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

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 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 2022-23 school year, students are planned to have increased exposure to field trips, additional instructional supplies and sensory materials and the School District is also supporting virtual instruction options for high school students.
- 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 2022-23 school year and the School District will partner with community agencies to provide additional supports for students.
- Air Quality and Safety - to help enhance air quality and safety in our buildings, the School District 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.

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

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

The School District has submitted proposed amendments for the CRRSA and ARP funding and is awaiting approval from the New York State Education Department. The CRRSA amendment incorporates adding additional mental health supports and security screening portals for high schools. The ARP amendment incorporates additional attendance initiatives as well as funds for community-based organizations to serve our students.

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, 2022**

	Governmental Activities
ASSETS	
Pooled cash and cash equivalents held by City	\$ 127,155,488
Pooled cash and cash equivalents held by School District	37,373
Pooled Restricted cash and cash equivalents held by City	3,728,181
Pooled Restricted cash and cash equivalents held by School District	153,735
Restricted cash held in trust	19,619,361
Receivables:	
State and Federal aid	85,408,112
Due from other governments	351,775
Due from City	4,209,251
Other	6,829,819
Inventories	1,629,550
Prepaid expenses	76,006
Net pension asset - TRS	187,344,602
Net pension asset - ERS	11,659,792
Capital assets, non-depreciable	233,001,032
Capital assets, net of accumulated depreciation/amortization	296,331,812
Total Assets	<u>977,535,889</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources- OPEB	66,694,088
Deferred outflows of resources- TRS Pension	110,194,049
Deferred outflows of resources- ERS Pension	21,920,378
Deferred outflows of resources - Bond Refundings	383,376
Total Deferred Outflows of Resources	<u>199,191,891</u>
LIABILITIES	
Payables:	
Accounts payable	26,059,594
Accrued expenses	2,957,425
Accrued payroll	9,611,743
Due to other governments	1,343,670
Accrued interest	2,347,979
Due to Fiduciary Funds	1,974
Due to retirement systems	24,563,495
Long-term liabilities:	
Due and payable within one year:	
Bonds payable	28,824,804
Self-insured employee health plan claims	284,991
Self-insured workers' compensation claims	5,102,483
Lease liabilities	576,882
Due and payable in more than one year:	
Bonds payable, net of current portion	303,398,263
Self-insured workers' compensation claims	35,515,350
Compensated absences payable	6,729,516
Other postemployment benefits	306,848,622
Lease liabilities	559,568
Total Liabilities	<u>754,726,359</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources- Lottery Aid	13,966,667
Deferred inflows of resources- TRS Pension	209,993,457
Deferred inflows of resources- ERS Pension	40,413,074
Deferred inflows of resources- OPEB	278,558,951
Total Deferred Inflows of Resources	<u>542,932,149</u>
NET POSITION	
Net investment in capital assets	215,976,064
Restricted	31,749,151
Unrestricted (deficit)	(368,655,943)
Total Net Position	<u>\$ (120,930,728)</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, 2022

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants & Contributions	
General support	\$ 64,959,002	\$ -	\$ 3,198,214	\$ (61,760,788)
Instruction	311,959,629	293,033	101,754,325	(209,912,271)
Pupil transportation	21,000,110	-	1,131,454	(19,868,656)
Community service	1,450,715	-	1,707,979	257,264
School food service program	13,336,631	68,202	15,661,430	2,393,001
Interest	10,765,599	-	-	(10,765,599)
	\$ 423,471,686	\$ 361,235	\$ 123,453,402	(299,657,049)
GENERAL REVENUES				
General property taxes				62,407,853
Nonproperty taxes				879,098
Use of money and property				167,808
Sale of property and compensation for loss				41,796
Miscellaneous				6,815,641
State and local sources				393,934,159
Federal sources				4,482,924
				468,729,279
Total General Revenues				468,729,279
Change in Net Position				169,072,230
Total Net Position - beginning of year				(290,002,958)
Total Net Position - end of year				\$ (120,930,728)

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, 2022

	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
ASSETS					
CASH:					
Pooled cash and cash equivalents held by City	\$ 127,155,488	\$ -	\$ -	\$ -	\$ 127,155,488
Pooled cash and cash equivalents held by District	37,373	-	-	-	37,373
Pooled restricted cash and cash equivalents held by City	3,728,181	-	-	-	3,728,181
Pooled restricted cash and cash equivalents held by District	-	-	-	153,735	153,735
Restricted cash held in trust	-	-	19,619,361	-	19,619,361
RECEIVABLES:					
Due from other funds	10,599,262	-	-	13,133,445	23,732,707
Due from JSCB Fund	6,528,779	-	-	-	6,528,779
State and Federal aid	51,871,737	28,632,070	-	4,904,305	85,408,112
Due from other governments	351,775	-	-	-	351,775
Due from the City	3,666,172	-	-	-	3,666,172
Other	2,196,305	4,624,796	-	8,718	6,829,819
INVENTORY	679,127	-	-	950,423	1,629,550
PREPAID EXPENDITURES	65,927	-	-	10,079	76,006
Total assets	<u>\$ 206,880,126</u>	<u>\$ 33,256,866</u>	<u>\$ 19,619,361</u>	<u>\$ 19,160,705</u>	<u>\$ 278,917,058</u>
LIABILITIES					
PAYABLES:					
Accounts payable	\$ 16,641,989	\$ 7,917,796	\$ -	\$ 1,499,809	\$ 26,059,594
Accrued expenses	1,710,498	-	1,246,927	-	2,957,425
Accrued payroll	8,827,945	446,204	-	337,594	9,611,743
Due to other governments	-	969,563	-	374,107	1,343,670
Due to other funds	-	23,734,681	-	-	23,734,681
Due to the General Fund	-	-	6,528,779	-	6,528,779
OTHER LIABILITIES:					
Due to retirement systems	24,563,495	-	-	-	24,563,495
Self-insured workers' compensation claims	1,229,141	-	-	-	1,229,141
Total liabilities	<u>52,973,068</u>	<u>33,068,244</u>	<u>7,775,706</u>	<u>2,211,510</u>	<u>96,028,528</u>
FUND BALANCE					
NON-SPENDABLE	745,054	-	-	960,502	1,705,556
RESTRICTED	3,728,181	188,622	11,843,655	15,988,693	31,749,151
COMMITTED	46,115,185	-	-	-	46,115,185
ASSIGNED	32,074,933	-	-	-	32,074,933
UNASSIGNED	71,243,705	-	-	-	71,243,705
Total fund balance	<u>153,907,058</u>	<u>188,622</u>	<u>11,843,655</u>	<u>16,949,195</u>	<u>182,888,530</u>
Total liabilities and fund balance	<u>\$ 206,880,126</u>	<u>\$ 33,256,866</u>	<u>\$ 19,619,361</u>	<u>\$ 19,160,705</u>	<u>\$ 278,917,058</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, 2022**

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

Total governmental fund balance	\$ 182,888,530
Capital assets and right-to-use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	529,332,844
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.	383,376
Pension related government wide activity:	
Net pension asset (TRS and ERS)	199,004,394
Deferred outflows of resources	132,114,427
Deferred inflows of resources	(250,406,531)
Receivables not received within 90 days and therefore not reported in the funds	543,079
Accrued interest not paid and therefore not reported in the funds	(2,347,979)
Deferred inflows- Other postemployment benefits (OPEB)	(278,558,951)
Deferred outflows- Other postemployment benefits (OPEB)	66,694,088
Deferred inflows- Lottery Aid	(13,966,667)
Long-term liabilities, including bonds payable, compensated absences, other employee benefits, postemployment benefits, and lease liabilities, are not due and payable in the current period and therefore are not reported in the funds.	<u>(686,611,338)</u>
Net position of governmental activities	<u>\$ (120,930,728)</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, 2022

	General	Special Aid	Joint Schools Construction Board	Nonmajor Governmental	Total Governmental Funds
REVENUES					
General property taxes	\$ 62,407,853	\$ -	\$ -	\$ -	\$ 62,407,853
Nonproperty taxes	879,098	-	-	-	879,098
Charges for services	293,033	-	-	-	293,033
Use of money and property	163,857	-	3,947	4	167,808
Sale of property and compensation for loss	38,781	-	-	3,015	41,796
Miscellaneous	6,645,681	-	27,010	142,950	6,815,641
State and local sources	393,052,199	33,285,605	-	625,379	426,963,183
Federal sources	3,760,115	74,506,367	722,809	14,251,063	93,240,354
Surplus food	-	-	-	1,123,869	1,123,869
Sales - School Food Service Program	-	-	-	68,202	68,202
Pass-through New York State funding from the General Fund	-	-	33,962,612	-	33,962,612
Total revenues	467,240,617	107,791,972	34,716,378	16,214,482	625,963,449
EXPENDITURES					
General support	74,998,580	3,057,483	-	8,803,405	86,859,468
Instruction	282,503,161	97,276,842	-	137,650	379,917,653
Pupil transportation	22,155,455	1,081,667	-	-	23,237,122
Community service	-	1,632,823	-	-	1,632,823
Pass-through New York State funding to JSCB Fund	33,962,612	-	-	-	33,962,612
Debt service:					
Principal	729,718	-	20,105,000	4,092,000	24,926,718
Interest	199,100	-	14,020,612	798,922	15,018,634
Cost of sales	-	-	-	6,178,696	6,178,696
Capital outlay	497,030	-	35,746,743	2,965,352	39,209,125
Total expenditures	415,045,656	103,048,815	69,872,355	22,976,025	610,942,851
Excess (deficiency) of revenues over expenditures	52,194,961	4,743,157	(35,155,977)	(6,761,543)	15,020,598
OTHER FINANCING SOURCES AND USES					
Premium on issuance of revenue anticipation notes	34,862	-	-	-	34,862
Proceeds of refunding bonds	-	-	-	92,000	92,000
Payment to refunded bond escrow agent	-	-	-	(92,000)	(92,000)
Proceeds from leases	497,030	-	-	-	497,030
Operating transfers in	7,692,350	1,507,972	-	4,904,722	14,105,044
Operating transfers out	(6,412,693)	(6,218,994)	(722,810)	(750,547)	(14,105,044)
Total other financing sources (uses)	1,811,549	(4,711,022)	(722,810)	4,154,175	531,892
Net change in fund balance	54,006,510	32,135	(35,878,787)	(2,607,368)	15,552,490
Fund balance - beginning of year	99,900,548	156,487	47,722,442	19,556,563	167,336,040
Fund balance - end of year	\$ 153,907,058	\$ 188,622	\$ 11,843,655	\$ 16,949,195	\$ 182,888,530

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, 2022

Net change in fund balance - Total governmental funds	\$ 15,552,490
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental Activities recognize revenue based on economic resource measurement. Fund activities utilize current financial resources. Revenues and other financing sources reported in the statement of activities, but not reported as revenue in the governmental funds.	1,559,745
Capital outlays, net of disposals are expenditures in governmental funds, but are capitalized in the statement of net position.	42,601,808
Depreciation and amortization are not recorded as an expenditure in the governmental funds, but are recorded in the statement of activities.	(11,627,959)
Payment of debt service principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	24,926,718
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.	4,218,173
Some expenses reported in the statement of activities, such as compensated absences (including changes in deferred outflows and inflows) and other employee benefits do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	55,487,506
ERS and TRS pension (expense)/income resulting from the change in the pension related (liabilities)/assets and deferred outflows and inflows of resources that are long-term in nature and therefore not reported in the funds.	36,850,779
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.	92,000
Proceeds from debt (including leases) are an other financing source in the governmental funds, but a debt issuance increases long-term liabilities in the statement of net position.	<u>(589,030)</u>
Change in net position of governmental activities	<u>\$ 169,072,230</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, 2022

	<u>Private Purpose Trusts</u>
ASSETS	
Restricted cash held by School District	\$ 26,857
Due from other funds	<u>1,974</u>
 Total assets	 <u>28,831</u>
 NET POSITION	
Held in trust for scholarships	<u>\$ 28,831</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, 2022**

	<u>Private Purpose Trusts</u>
ADDITIONS	
Contributions	\$ <u>16,990</u>
Total additions	<u>16,990</u>
DEDUCTIONS	
Loss on investment	302
Scholarships and awards	<u>16,030</u>
Total deductions	<u>16,332</u>
Change in net position	658
Net position - beginning of year	<u>28,173</u>
Net position - end of year	<u>\$ 28,831</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, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

Joint Schools Construction Board Blended Component Unit (JSCB)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

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

General Fund

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

Special Aid Fund

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

Joint Schools Construction Board (JSCB) Blended Component Unit

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

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

School Food Service Fund

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

Capital Projects Fund

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

Debt Service Fund

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

Miscellaneous Special Revenue Fund

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

Permanent Fund

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

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

Private Purpose Trusts Fund

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

C. Measurement Focus and Basis of Accounting

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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

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

D. Revenue, Expenditures and Expenses

Property Taxes

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

Intergovernmental Revenues - Grants

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

Program Revenues

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

Expenditures/Expenses

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

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

Governmental Funds - By Character:

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

Indirect Expenses

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Revenue, Expenditures and Expenses (Continued)

Interfund Transfers and Interfund Receivables and Payables

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

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

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

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

Restricted and Unrestricted Resources

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

E. Cash and Cash Equivalents

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents (Continued)

Custodial Credit Risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The Standards direct that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. At June 30, 2022, \$140,020,834 of the bank balances were insured by FDIC, fully collateralized or held in trust in accordance with an indenture agreement.

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

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

F. Restricted Assets

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

G. Receivables

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

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

H. Inventory and Prepaid Items

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Fixed Assets)

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

Capital assets also include lease assets with a term greater than one year. The District does not implement a capitalization threshold for leased assets. Lease assets are amortized on a straight-line basis over the term of the lease.

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

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
Right-to-use leased asset	Lease term

J. Deferred Outflows and Inflows of Resources

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences

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

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

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

L. Other Benefits

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

In addition to providing pension benefits, the School District provides postemployment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provisions of various employment contracts in effect at the time of retirement. Substantially all of the School District's employees may become eligible for these benefits if they reach normal retirement age while working for the School District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the School District and the retired employee. There are currently approximately 6,400 individuals receiving benefits under the plan. The School District has recorded in the government-wide statement of net position other postemployment benefits totaling \$306,848,622 as of June 30, 2022.

M. Long-Term Obligations

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications

Government-wide Statements

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

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

Restricted net position includes the following:

General Fund	\$ 3,728,181
Special Aid Fund	188,622
Joint Schools Construction Board (JSCB)	11,843,655
School Food Service Fund	5,596,400
Capital Projects	9,272,506
Debt Service	965,164
Miscellaneous Special Revenue Fund	137,580
Permanent Fund	17,043
Total restricted net position	<u>\$ 31,749,151</u>

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

Fund Statements

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

- a. Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory and prepaid expenses recorded in the General Fund of \$745,054, and the inventory and prepaid expenses recorded in the School Food Service Fund of \$960,502.
- b. Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The definition of restricted fund balance is the same as restricted net position. In the general fund, restricted fund balance represents restricted cash held by the City. In the remaining funds, all fund balance less any non-spendable portion is restricted to the purpose of that fund

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications (Continued)

Fund Statements (Continued)

- c. Committed - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the school district's highest level of decision-making authority, i.e. the Board of Education. As of June 30, 2022, the General Fund had committed fund balance of \$46,115,185 as follows: \$6,115,185 for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, \$10 million for the STEAM school project, \$10 million for capital projects and \$20 million to maintain a minimum of 4% of the General Fund's operating budget in reserve in accordance with School District policy.
- d. Assigned - Includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. The Chief Financial Officer (CFO) has been authorized by the Board of Education to assign fund balance. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund.

As of June 30, 2022, the School District's General Fund encumbrances amounted to \$7,074,933, classified as follows:

General Support	\$ 4,836,678
Instruction	2,068,085
Transportation	<u>170,170</u>
Total General Fund encumbrances	<u>\$ 7,074,933</u>

Appropriated fund balance designated during the budgetary process for use to fund operating expenditures in the next fiscal year is also included in Assigned Fund Balance. The School District did not appropriate any fund balance to be used to fund fiscal year 2022-2023 operating expenditures. For the purpose of funding the one-year continuation of certain initiatives or positions created in response to the COVID-19 pandemic, \$25 million of fund balance was assigned for use in balancing future years' budgets when the federal pandemic relief funds are scheduled to be phased-out in the 2023-24 and 2024-25 fiscal years.

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

Order of Use of Fund Balance

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Economic Dependency

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

P. Use of Estimates

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

2. BUDGETS AND BUDGETARY ACCOUNTING

Budget Policies

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

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

3. INTERFUND TRANSACTIONS

To improve cash management, most disbursements are made from a pooled account in the General Fund. Interfund receivables and payables exist primarily due to this cash management practice, as well as normal delays in processing interfund transfers and reimbursement. Interfund balances and transfers are short term in nature and are typically repaid in less than one year. The following schedule summarizes interfund transactions as of and for the year ended June 30, 2022:

Fund	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 17,128,041	\$ -	\$ 7,692,350	\$ 6,412,693
Special aid	-	23,734,681	1,507,972	6,218,994
JSCB	-	6,528,779	-	722,810
School food service	2,497,225	-	-	750,547
Capital projects	9,671,056	-	13,800	-
Debt service	965,164	-	4,890,922	-
Private purpose trust	1,974	-	-	-
Total	\$ 30,263,460	\$ 30,263,460	\$ 14,105,044	\$ 14,105,044

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

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022:

	Balance at July 1, 2021 (restated)	Additions	Disposals/ Transfers	Balance at June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 1,480,325	\$ -	\$ -	\$ 1,480,325
Construction in progress	238,286,002	38,085,731	(44,851,026)	231,520,707
Total capital assets, not being depreciated	239,766,327	38,085,731	(44,851,026)	233,001,032
Capital assets, being depreciated:				
Land improvements	6,578,215	1,213,110	-	7,791,325
Buildings and improvements	484,778,846	46,922,490	(4,501,986)	527,199,350
Furniture and equipment	14,263,617	3,355,336	(2,413,930)	15,205,023
Vehicles	6,596,232	533,202	(240,336)	6,889,098
Software	7,056,842	-	(33,944)	7,022,898
Total capital assets, being depreciated	519,273,752	52,024,138	(7,190,196)	564,107,694
Less accumulated depreciation/amortization for:				
Land improvements	(4,206,203)	(139,026)	-	(4,345,229)
Buildings and improvements	(237,159,973)	(8,734,305)	1,441,437	(244,452,841)
Furniture and equipment	(9,373,017)	(1,077,528)	2,320,414	(8,130,131)
Vehicles	(4,824,026)	(705,769)	240,336	(5,289,459)
Software	(6,487,003)	(239,506)	33,944	(6,692,565)
Total accumulated depreciation/amortization	(262,050,222)	(10,896,134)	4,036,131	(268,910,225)
Total capital assets, being depreciated, net	257,223,530	41,128,004	(3,154,065)	295,197,469
Right-to-use leased assets, being amortized:				
Buildings	600,504	-	-	600,504
Equipment	768,634	497,030	(60,984)	1,204,680
Total right-to-use leased assets, being amortized	1,369,138	497,030	(60,984)	1,805,184
Less accumulated amortization for:				
Buildings	-	(265,964)	-	(265,964)
Equipment	-	(465,861)	60,984	(404,877)
Total accumulated amortization	-	(731,825)	60,984	(670,841)
Total right-to-use leased assets, being amortized, net	1,369,138	(234,795)	-	1,134,343
Governmental Activities Capital Assets, net	\$ 498,358,995	\$ 78,978,940	\$ (48,005,091)	\$ 529,332,844

All capital assets including intangibles are being depreciated/amortized over their estimated useful lives, except for land and construction in progress which are not depreciated and right-to-use leased assets which are amortized over the term of the lease.

Depreciation/amortization expense was charged as follows:

Instruction	\$ 8,393,073
Support Services:	
General	2,666,966
Pupil transportation	513,350
School Food Service	54,570
Total depreciation/amortization expense	\$11,627,959

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, 2022:

	Balance at 7/1/2021 (restated)	Additions	Reductions	Balance at 6/30/2022	Amount due in one year	Due in more than one year
<u>Bonds payable:</u>						
Bonds payable	\$315,142,000	\$ 92,000	\$ 24,289,000	\$290,945,000	\$24,700,000	\$266,245,000
Premiums on bonds payable	45,402,871	-	4,124,804	41,278,067	4,124,804	37,153,263
Total bonds payable	360,544,871	92,000	28,413,804	332,223,067	28,824,804	303,398,263
<u>Other liabilities:</u>						
Compensated absences payable	6,482,877	9,862,577	9,615,938	6,729,516	-	6,729,516
Other postemployment benefits	349,878,086	35,180,670	78,210,134	306,848,622	-	306,848,622
Self-insured employee health plan claims	1,068,859	46,468,519	47,252,387	284,991	284,991	-
Self-insured workers' compensation claims	33,751,591	11,106,176	4,239,934	40,617,833	5,102,483	35,515,350
Net pension liability	31,847,608	-	31,847,608	-	-	-
Lease liabilities	1,369,138	497,030	729,718	1,136,450	576,882	559,568
Total other liabilities	424,398,159	103,114,972	171,895,719	355,617,412	5,964,356	349,653,056
Long-term liabilities	\$784,943,030	\$103,206,972	\$200,309,523	\$687,840,479	\$34,789,160	\$653,051,319

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

Revenue and Bond Anticipation Notes Payable

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

5. LONG-TERM INDEBTEDNESS (Continued)

Revenue and Bond Anticipation Notes Payable (Continued)

The School District's short-term debt activity for the year ended June 30, 2022:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance at July 1, 2021</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance at June 30, 2022</u>
2020B RAN	July 2021	2.00%	\$ 85,967,000	-	85,967,000	-
2021 RAN	April 2022	1.00%	<u>-</u>	<u>10,770,000</u>	<u>10,770,000</u>	<u>-</u>
Total RANs			<u>\$ 85,967,000</u>	<u>\$ 10,770,000</u>	<u>\$ 96,737,000</u>	<u>\$ -</u>

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

Bonds Payable

Bonds payable included in the accompanying Statement of Net Position represent obligations issued in the name of the City for District purposes and the City of Syracuse Industrial Development Agency for JSCB purposes. These long-term liabilities are full faith and credit debt of the School District. Appropriations are provided for redemption of the obligations and interest thereon in the budget of the School District. Bonds outstanding at June 30, 2022 consisted of the following:

<u>Date of Issuance</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2022</u>
June 30, 2020	2023	5.000	50,000
December 21, 2017	2024	3.000 - 5.000	2,100,000
May 15, 2014	2025	2.000 - 5.000	2,440,000
May 28, 2015	2027	4.000 - 5.000	3,290,000
July 12, 2011	2028	5.428	15,000,000
February 1, 2021	2028	5.000	17,990,000
April 20, 2017	2030	3.000 - 5.000	18,495,000
December 21, 2017	2030	3.000 - 5.000	3,850,000
June 23, 2017	2032	3.000 - 5.000	2,455,000
March 15, 2018	2034	3.250 - 5.000	57,510,000
June 20, 2018	2035	3.000 - 5.000	33,770,000
April 11, 2019	2035	4.000 - 5.000	57,250,000
March 3, 2020	2037	4.000 - 5.000	<u>76,745,000</u>
Total bonds outstanding			<u>\$290,945,000</u>

5. LONG-TERM INDEBTEDNESS (Continued)

Bonds Payable (Continued)

Bonds payable as of June 30, 2022 are as follows:

<u>Years Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	23,295,000	9,357,762	32,652,762
2028 – 2032	99,175,000	28,467,688	127,642,688
2033 – 2037	<u>66,490,000</u>	<u>5,605,726</u>	<u>72,095,726</u>
Totals	<u>\$ 290,945,000</u>	<u>\$ 91,723,975</u>	<u>\$ 382,668,975</u>

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

Interest paid - capital indebtedness (net of premium)	\$ 14,983,772
Less: Interest accrued in the prior year	(2,541,477)
Amortization of bond premiums	(4,124,804)
Plus: Deferred loss on refunding	100,129
Interest accrued in the current year	<u>2,347,979</u>
Total expense	<u>\$ 10,765,599</u>

On October 19, 2021, the School District issued \$92,000 in General Obligation Refunding Serial Bonds with a coupon rate of 2.00% to refund \$92,000 of outstanding Series 2012 Serial Bonds with interest rates of 2.00% - 5.00%. The proceeds of \$92,000 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 in the current year by \$1,625 resulting in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$1,625.

6. LEASES

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

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

6. LEASES (Continued)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	576,882	7,526	584,408
2024	336,696	4,578	341,274
2025	148,592	2,228	150,820
2026	61,033	708	61,741
2027	13,247	184	13,431
Total	<u>\$ 1,136,450</u>	<u>\$ 15,224</u>	<u>\$ 1,151,674</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 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 27th, 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>
2022	\$ 6,405,677
2021	\$ 6,148,415
2020	\$ 5,897,634

7. PENSION PLANS (Continued)

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

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

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

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

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

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

This law requires participating employers to make payments on the current basis while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program. All amounts due were remitted in full to NYSERS. No portion of the School District's retirement bill was amortized or bonded as of June 30, 2022.

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

At June 30, 2022, the School District reported a net pension asset of \$11,659,792 for its proportionate share of the NYSERS net pension asset. The net pension asset was measured as of March 31, 2022, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2021. The School District's proportion of the net pension asset was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2022, the School District's proportion was 0.1426346%, which was a decrease of .0082277% from its proportionate share of 0.1508623% as measured at March 31, 2021.

7. PENSION PLANS (Continued)

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

For the year ended June 30, 2022, the School District recognized pension expense of \$571,144. At June 30, 2022, the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 883,012	\$1,145,317
Changes in assumptions	19,458,885	328,348
Net difference between projected and actual earnings on pension plan investments	-	38,180,932
Changes in proportion and differences between the District's contributions and proportionate share of contributions	344,601	758,477
Contributions subsequent to the measurement date	<u>1,233,880</u>	<u>-</u>
Total	<u>\$ 21,920,378</u>	<u>\$40,413,074</u>

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

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

Plan's Year Ended March 31:

2023	\$ (2,979,681)
2024	(4,449,034)
2025	(10,053,592)
2026	<u>(2,244,269)</u>
	<u>\$ (19,726,576)</u>

The School District recognized \$1,233,880 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, 2022 which will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Actuarial Assumptions

The total pension asset at March 31, 2022 was determined by using an actuarial valuation as of April 1, 2021, with update procedures used to roll forward the total pension asset to March 31, 2022.

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
Decrement	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

7. PENSION PLANS (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 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	3.30
International Equity	15.0	5.85
Private Equity	10.0	6.50
Real Estate	9.0	5.00
Opportunistic/Absolute Return	3.0	4.10
Credit	4.0	3.78
Real Assets	3.0	5.58
Fixed Income	23.0	0.00
Cash	<u>1.0</u>	(1.00)
	<u>100%</u>	

Discount Rate

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

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

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

	1% Decrease (4.9%)	Current Discount (5.9%)	1% Increase (6.9%)
Proportionate share of Net Pension Liability (Asset)	<u>\$ 30,012,176</u>	<u>\$ (11,659,792)</u>	<u>\$ (46,516,382)</u>

7. PENSION PLANS (Continued)

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

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) (in 000's) of the employers as of March 31, 2022 were as follows:

	<u>Pension Plan's Fiduciary Net Position</u>
Total pension liability	\$223,874,888
Net position	<u>(232,049,473)</u>
Net pension liability (asset)	<u>\$ (8,174,585)</u>
Fiduciary net position as a percentage of total pension liability	103.65%

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>
2022	\$ 20,209,748
2021	\$ 17,250,303
2020	\$ 20,169,382

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

At June 30, 2022, the School District reported a net pension asset of \$187,344,602 for its proportionate share of the NYSTRS net pension asset. The net pension asset was measured as of June 30, 2021, and the total pension asset used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020. The School District's proportion of the net pension asset 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, 2021, the School District's proportionate share was 1.081102%, which was a decrease of .065995% from its proportionate share of 1.147097% as measured at June 30, 2020.

For the year ended June 30, 2022, the School District recognized pension expense (income) of (\$11,207,847). At June 30, 2022 the School District reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 25,823,466	\$ 973,335
Changes in assumptions	61,621,555	10,912,270
Net difference between projected and actual earnings on pension plan investments	-	196,075,509
Changes in proportion	2,581,553	2,032,343
Contributions subsequent to the measurement date	<u>20,167,475</u>	<u>-</u>
Total	<u>\$ 110,194,049</u>	<u>\$ 209,993,457</u>

7. PENSION PLANS (Continued)

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

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

The School District recognized \$20,167,475 as a deferred outflow of resources related to pensions resulting from the School District's contributions subsequent to the measurement date of June 30, 2021 which will be recognized as a reduction to the net pension (asset) liability for the year ended June 30, 2023. 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:

2022	\$ (24,651,366)
2023	(28,234,882)
2024	(35,678,409)
2025	(47,056,583)
2026	9,144,030
Thereafter	<u>6,510,327</u>
	<u><u>\$(119,966,883)</u></u>

Actuarial Assumptions

The total pension asset at the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension asset to June 30, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

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

Projected COLAs	1.3% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

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, 2021 are summarized in the following table:

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-term expected expected real rate of return in %</u>
Domestic Equity	33.0	6.8
International Equities	16.0	7.6
Global equities	4.0	7.1
Real Estate Equities	11.0	6.5
Private Equities	8.0	10.0
Domestic Fixed Income Securities	16.0	1.3
Global Bonds	2.0	0.8
High-Yield Bonds	1.0	3.8
Private Debt	1.0	5.9
Real Estate Debt	7.0	3.3
Cash Equivalents	<u>1.0</u>	(0.2)
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension asset was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from school districts will be made at statutorily required rates, actuarially determined. Based on those assumptions, the NYSTRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension (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 6.95 percent, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Proportionate share of Net Pension Liability (Asset)	<u>\$ (19,659,084)</u>	<u>\$ (187,344,602)</u>	<u>\$ (328,272,111)</u>

7. PENSION PLANS (Continued)

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

Pension Plan Fiduciary Net Position

The components of the collective net pension liability (asset) (in 000's) of the participating school districts as of June 30, 2021, were as follows:

	<u>Pension Plan's Fiduciary</u>	
	<u>Net Position</u>	
Total pension liability	\$	130,819,415
Net position		<u>148,148,457</u>
Net pension liability (asset)	\$	<u>(17,329,042)</u>
Fiduciary net position as a percentage of total pension liability		113.2%

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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2,730
Active employees	<u>3,373</u>
Total participants	<u>6,103</u>

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

The School District's total OPEB liability of \$306,848,622 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions and Other Inputs

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

Reporting Date	6/30/2022
Measurement Date	6/30/2022
Actuarial Valuation Date	7/1/2021
Discount Rate	3.69%
Rate of Compensation Increase	3.00%
Inflation Rate (CPI)	2.25%
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage
Amortization Period	7.660 years

The rate used to discount future plan cash flows was updated from 1.92% to 3.69% as of June 30, 2022 based on a review of the Fidelity General Obligation 20-Year AA Municipal Bond Index. The change in discount rate resulted in a decrease in liabilities.

The mortality improvement scale assumption was revised as of June 30, 2022 from Scale MP-2020 to Scale MP-2021 on a generational basis. The revised assumption resulted in an increase in liabilities.

The annual rate of increase in healthcare costs was revised as of June 30, 2022 to better reflect future expectations including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2022_f4 (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, 2022, the turnover and retirement assumptions for New York State governmental employees participating in the NYSTRS were updated using information from the July 1, 2015 – June 30, 2020 experience study released by the Retirement System's Actuary and published in their October 2021 report. The revised assumption resulted in an increase in liabilities.

The plan design and contribution changes for future retirees in Collective Bargaining Agreement Units 2, 3, 7, 8, 9, 10 and 12 were reflected for the June 30, 2022 measurement date. These updates resulted in a net decrease in liabilities.

8. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Balance at June 30, 2021	<u>\$ 349,878,086</u>
Changes for the Year:	
Service cost	12,988,416
Interest cost	7,125,017
Changes in benefit terms	(17,300,024)
Differences between expected and actual experience	15,067,237
Changes in assumptions or other inputs	(47,231,871)
Actual benefit payments	<u>(13,678,239)</u>
Net changes	<u>(43,029,464)</u>
Balance at June 30, 2022	<u>\$ 306,848,622</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 (2.69%) or 1 percentage point higher (4.69%) than the current discount rate:

	1% Decrease (2.69%)	Current Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	<u>\$ 345,266,862</u>	<u>\$ 306,848,622</u>	<u>\$ 274,468,944</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 (2.25% – 5.75%) or 1 percentage point higher (4.25% – 7.75%) than the current healthcare cost trend rate:

	1% Decrease (2.25% – 5.75%)	Current Rate (3.25% - 6.75%)	1% Increase (4.25% - 7.75%)
Total OPEB Liability	<u>\$ 266,227,663</u>	<u>\$ 306,848,622</u>	<u>\$ 357,379,194</u>

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

For the year ended June 30, 2022, the School District recognized OPEB expense (income) of (\$48,585,589). At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between Expected and Actual Experience	\$ 26,901,140	\$ (226,138,036)
Change of Assumptions	<u>39,792,948</u>	<u>(52,420,915)</u>
Total	<u>\$ 66,694,088</u>	<u>\$ (278,558,951)</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>
2023	\$ (51,398,998)
2024	(51,398,998)
2025	(51,398,998)
2026	(49,059,200)
2027	(2,800,472)
Thereafter	<u>(5,808,197)</u>
Total	<u>\$(211,864,863)</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, 2022.

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, 2022.

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, 2022:

	<u>Medical</u>	<u>Workers' Compensation</u>
July 1, 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	1,068,859	33,751,591
Claims, net of payments for all claims	<u>(783,868)</u>	<u>6,866,242</u>
June 30, 2022	<u>\$ 284,991</u>	<u>\$ 40,617,833</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. RESTATEMENT

Change in Accounting Principle

The District adopted GASB Statement No. 87, *Leases*, during the year ended June 30, 2022. GASB Statement No. 87 establishes a single leasing model for accounting and reporting purposes to enhance the accountability, consistency and comparability of the lease activities reported by governments. It establishes requirements for lease accounting based upon the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize the lease liability and a corresponding intangible right-to-use lease asset for the present value of all future lease payments at the commencement of the lease. These changes were incorporated into the School District's financial statements and had no effect on the beginning balance of net position of the governmental activities because the net book value of the intangible right-to-use lease asset equaled the amount of the lease liability.

	<u>Governmental Activities Net Position</u>
Balance at June 30, 2021, as previously reported	\$ (290,002,958)
Adjustments:	
Net book value of right-to-use lease asset	1,369,138
Lease liability	<u>(1,369,138)</u>
Balance at July 1, 2021, as restated	<u>\$ (290,002,958)</u>

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, 2022

	General Fund						
	Budgeted Amounts			Actual	Add: Current Year Encumbrances	Total Current Year Expenditures and Encumbrances	Budget Variance Favorable (Unfavorable)
	Original	Amendments	Final				
REVENUES							
General property taxes	\$ 62,046,499	\$ -	\$ 62,046,499	\$ 62,407,853	\$ -	\$ 62,407,853	\$ 361,354
Nonproperty taxes	450,000	-	450,000	879,098	-	879,098	429,098
Charges for services	205,000	-	205,000	293,033	-	293,033	88,033
Use of money and property	325,500	-	325,500	163,857	-	163,857	(161,643)
Sale of property and compensation for loss	50,250	-	50,250	38,781	-	38,781	(11,469)
Miscellaneous	1,072,347	-	1,072,347	6,645,681	-	6,645,681	5,573,334
State and local sources	389,780,646	4,510,600	394,291,246	393,052,199	-	393,052,199	(1,239,047)
Federal sources	<u>1,360,000</u>	<u>1,615,303</u>	<u>2,975,303</u>	<u>3,760,115</u>	<u>-</u>	<u>3,760,115</u>	<u>784,812</u>
Total revenues	455,290,242	6,125,903	461,416,145	467,240,617	-	467,240,617	5,824,472
OTHER SOURCES							
Premium on issuance of revenue anticipation notes	-	-	-	34,862	-	34,862	34,862
Lease liabilities issued	-	-	-	497,030	-	497,030	497,030
Operating transfers in	<u>5,000,000</u>	<u>5,989,774</u>	<u>10,989,774</u>	<u>7,692,350</u>	<u>-</u>	<u>7,692,350</u>	<u>(3,297,424)</u>
Total revenues and other sources	<u>460,290,242</u>	<u>12,115,677</u>	<u>472,405,919</u>	<u>475,464,859</u>	<u>-</u>	<u>475,464,859</u>	<u>3,058,940</u>
EXPENDITURES AND ENCUMBRANCES							
General support	87,689,913	(387,153)	87,302,760	74,998,580	4,836,678	79,835,258	7,467,502
Instruction	305,400,005	12,502,830	317,902,835	282,503,161	2,068,085	284,571,246	33,331,589
Pupil transportation	27,182,942	-	27,182,942	22,155,455	170,170	22,325,625	4,857,317
Pass-through New York State funding to JSCB	34,125,613	-	34,125,613	33,962,612	-	33,962,612	163,001
Debt service	2,809,946	-	2,809,946	928,818	-	928,818	1,881,128
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,030</u>	<u>-</u>	<u>497,030</u>	<u>(497,030)</u>
Total expenditures and encumbrances	457,208,419	12,115,677	469,324,096	415,045,656	7,074,933	422,120,589	47,203,507
OTHER USES							
Operating transfers out	<u>8,548,454</u>	<u>-</u>	<u>8,548,454</u>	<u>6,412,693</u>	<u>-</u>	<u>6,412,693</u>	<u>2,135,761</u>
Total expenditures and other uses	<u>465,756,873</u>	<u>12,115,677</u>	<u>477,872,550</u>	<u>421,458,349</u>	<u>7,074,933</u>	<u>428,533,282</u>	<u>49,339,268</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER USES	<u>\$ (5,466,631)</u>	<u>\$ -</u>	<u>\$ (5,466,631)</u>	<u>\$ 54,006,510</u>	<u>\$ (7,074,933)</u>	<u>\$ 46,931,577</u>	<u>\$ 52,398,208</u>

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, 2022

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service cost	\$ 12,988,416	\$ 8,283,401	\$ 7,790,200	\$ 19,345,430	\$ 19,103,347					
Interest	7,125,017	7,094,705	8,564,800	23,616,910	22,589,595					
Changes of benefit terms	(17,300,024)	8,631,106	-	-	-					
Differences between expected and actual experience	15,067,237	19,148,021	(389,052,209)	(2,242,757)	(314,221)					
Changes in assumptions	(47,231,871)	32,233,001	28,637,682	(19,845,230)	(5,655,185)					
Benefit payments	(13,678,239)	(13,617,053)	(12,918,652)	(17,693,310)	(18,514,661)					
Total change in total OPEB liability	(43,029,464)	61,773,181	(356,978,179)	3,181,043	17,208,875					
Total OPEB liability - beginning	349,878,086	288,104,905	645,083,084	641,902,041	624,693,166					
Total OPEB liability - ending	\$ 306,848,622	\$ 349,878,086	\$ 288,104,905	\$ 645,083,084	\$ 641,902,041					
Covered-employee payroll	\$ 264,719,123	\$ 233,839,973	\$ 229,649,395	\$ 225,440,334	\$ 239,120,856					
Total OPEB liability as a percentage of covered-employee payroll	115.9%	149.6%	125.5%	286.1%	268.4%					

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

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	3.69%	1.92%	2.45%	3.13%	3.62%
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The actuarial cost method used is Entry Age Normal.

As of the June 30, 2022 measurement date, the discount rate was revised from 1.92% to 3.69%. This resulted in a decrease in the liability.

As of the June 30, 2022 measurement date, the mortality improvement scale was updated from Scale MP-2020 to Scale MP-2021. This resulted in an increase in the liability.

As of the June 30, 2022 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, 2022 measurement date, the turnover and retirement assumptions for New York State governmental employees participating in TRS were updated using information from the July 1, 2015 - June 30, 2020 experience study released by the Retirement System's Actuary. This resulted in an increase in the liability.

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

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

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, 2022

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	0.1426346%	0.1508623%	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%	0.1295850%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	
Proportionate share of the net pension liability (asset)	\$ (11,660)	\$ 150	\$ 39,239	\$ 10,753	\$ 4,606	\$ 12,935	\$ 21,238	\$ 4,378		
Covered-employee payroll	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-25.14%	0.35%	86.23%	24.67%	10.65%	32.92%	57.28%	13.08%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%		

NEW YORK STATE TEACHERS' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the net pension liability (asset)	1.081102%	1.147097%	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%	1.072093%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.	
Proportionate share of the net pension liability (asset)	\$ (187,345)	\$ 31,697	\$ (29,560)	\$ (20,422)	\$ (8,508)	\$ 12,187	\$ (109,231)	\$ (119,425)		
Covered-employee payroll	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365		
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-91.04%	17.27%	-15.18%	-10.76%	-4.80%	6.95%	-69.17%	-75.41%		
Plan fiduciary net position as a percentage of the total pension liability (asset)	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%		

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 6,406	\$ 6,148	\$ 5,898	\$ 5,984	\$ 5,650	\$ 5,409	\$ 5,656	\$ 5,817		
Contributions in relation to the contractually required contribution	6,406	6,148	5,898	5,984	5,650	5,409	5,656	5,817		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered-employee payroll	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468		
Contributions as a percentage of covered-employee payroll	13.81%	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)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 17,487	\$ 17,250	\$ 20,169	\$ 18,028	\$ 20,788	\$ 23,283	\$ 27,692	\$ 25,734		
Contributions in relation to the contractually required contribution	17,487	17,250	20,169	18,028	20,788	23,283	27,692	25,734		
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Covered-employee payroll	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365		
Contributions as a percentage of covered-employee payroll	8.50%	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, 2022

	<u>School Food Service</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Miscellaneous Special Revenue</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS						
Pooled restricted cash and cash equivalents held by City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pooled restricted cash and cash equivalents held by District	-	-	-	136,692	17,043	153,735
Receivables:						
Due from other funds	2,497,225	9,671,056	965,164	-	-	13,133,445
State and Federal aid receivables	4,334,359	569,946	-	-	-	4,904,305
Other	6,304	-	-	2,414	-	8,718
Inventory	950,423	-	-	-	-	950,423
Prepaid Expenditures	10,079	-	-	-	-	10,079
	<u>7,798,390</u>	<u>10,241,002</u>	<u>965,164</u>	<u>139,106</u>	<u>17,043</u>	<u>19,160,705</u>
Total assets	<u>\$ 7,798,390</u>	<u>\$ 10,241,002</u>	<u>\$ 965,164</u>	<u>\$ 139,106</u>	<u>\$ 17,043</u>	<u>\$ 19,160,705</u>
LIABILITIES						
Accounts payable	\$ 529,787	\$ 968,496	\$ -	\$ 1,526	\$ -	\$ 1,499,809
Accrued payroll	337,594	-	-	-	-	337,594
Due to other governments	374,107	-	-	-	-	374,107
	<u>1,241,488</u>	<u>968,496</u>	<u>-</u>	<u>1,526</u>	<u>-</u>	<u>2,211,510</u>
Total liabilities	<u>1,241,488</u>	<u>968,496</u>	<u>-</u>	<u>1,526</u>	<u>-</u>	<u>2,211,510</u>
FUND BALANCE						
Non-spendable	960,502	-	-	-	-	960,502
Restricted	5,596,400	9,272,506	965,164	137,580	17,043	15,988,693
	<u>6,556,902</u>	<u>9,272,506</u>	<u>965,164</u>	<u>137,580</u>	<u>17,043</u>	<u>16,949,195</u>
Total fund balance	<u>6,556,902</u>	<u>9,272,506</u>	<u>965,164</u>	<u>137,580</u>	<u>17,043</u>	<u>16,949,195</u>
	<u>\$ 7,798,390</u>	<u>\$ 10,241,002</u>	<u>\$ 965,164</u>	<u>\$ 139,106</u>	<u>\$ 17,043</u>	<u>\$ 19,160,705</u>
Total liabilities and fund balance	<u>\$ 7,798,390</u>	<u>\$ 10,241,002</u>	<u>\$ 965,164</u>	<u>\$ 139,106</u>	<u>\$ 17,043</u>	<u>\$ 19,160,705</u>

CITY SCHOOL DISTRICT OF SYRACUSE, NEW YORK
(A BLENDED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	School Food Service	Capital Projects	Debt Service	Miscellaneous Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
REVENUES						
Use of money and property	\$ 1	\$ -	\$ -	\$ -	\$ 3	\$ 4
Sale of property and compensation for loss	3,015	-	-	-	-	3,015
Miscellaneous	-	-	-	142,950	-	142,950
State and local sources	286,498	338,881	-	-	-	625,379
Federal sources	14,251,063	-	-	-	-	14,251,063
Surplus food	1,123,869	-	-	-	-	1,123,869
Sales - School Food Service Program	68,202	-	-	-	-	68,202
Total revenues	15,732,648	338,881	-	142,950	3	16,214,482
EXPENDITURES						
General Support	8,803,405	-	-	-	-	8,803,405
Instruction	-	-	-	137,650	-	137,650
Principal	-	-	4,092,000	-	-	4,092,000
Interest	-	-	798,922	-	-	798,922
Cost of sales	6,178,696	-	-	-	-	6,178,696
Capital outlay	-	2,965,352	-	-	-	2,965,352
Total expenditures	14,982,101	2,965,352	4,890,922	137,650	-	22,976,025
Excess (deficiency) of revenues over expenditures	750,547	(2,626,471)	(4,890,922)	5,300	3	(6,761,543)
OTHER FINANCING SOURCES AND USES						
Proceeds of refunding bonds	-	-	92,000	-	-	92,000
Payment to refunded bond escrow agent	-	-	(92,000)	-	-	(92,000)
Operating transfers in	-	13,800	4,890,922	-	-	4,904,722
Operating transfers out	(750,547)	-	-	-	-	(750,547)
Total other financing sources (uses)	(750,547)	13,800	4,890,922	-	-	4,154,175
Net change in fund balance	-	(2,612,671)	-	5,300	3	(2,607,368)
Fund balance - beginning of year	6,556,902	11,885,177	965,164	132,280	17,040	19,556,563
Fund balance - end of year	\$ 6,556,902	\$ 9,272,506	\$ 965,164	\$ 137,580	\$ 17,043	\$ 16,949,195

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, 2022

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, 2022
				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	\$ 14,317	\$ 4,344,241	\$ 722,951	\$ -	\$ 4,344,241	\$ -	\$ 4,344,241	\$ -	\$ -
SSBA - SSIP2.2	Open	-	6,576,426	-	155,931	155,931	6,420,495	-	181,869	-	181,869	-	25,938
SSBA - SSIP3.1	Open	292,099	292,099	181,869	-	181,869	110,230	-	155,931	-	155,931	-	(25,938)
Building Condition Survey	Closed	1,400,000	626,364	-	626,364	626,364	-	-	-	626,364	626,364	-	-
Fowler Concession Stand	Open	1,163,000	1,163,000	526,703	449,130	975,833	187,167	-	-	1,163,000	1,163,000	-	187,167
Corcoran Athletic Field	Open	3,000,000	3,000,000	-	1,550,977	1,550,977	1,449,023	-	-	3,000,000	3,000,000	-	1,449,023
Elementary Playgrounds	Open	-	250,000	-	168,633	168,633	81,367	-	-	168,633	168,633	-	-
All other various	Open	6,848,880	7,636,316	-	-	-	7,636,316	-	-	7,636,316	7,636,316	-	7,636,316
TOTAL		\$ 17,771,171	\$ 24,611,397	\$ 5,038,496	\$ 2,965,352	\$ 8,003,848	\$ 16,607,549	\$ -	\$ 4,682,041	\$ 12,594,313	\$ 17,276,354	\$ -	\$ 9,272,506

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, 2022

Capital assets, net		\$ 529,332,844
Add:		
Deferred loss on refunding of debt		383,376
Deduct:		
Short-term portion of lease liabilities	576,882	
Long-term portion of lease liabilities	559,568	
Short-term portion of bonds payable	28,824,804	
Long-term portion of bonds payable	303,398,263	
Less: unspent bond proceeds	<u>(19,619,361)</u>	<u>(313,740,156)</u>
Net investment in capital assets		<u>\$ 215,976,064</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 14, 2022

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City School District of Syracuse, New York (the School District), a blended component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2022, 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 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

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

December 14, 2022

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City School District of Syracuse, New York's (the School District), a blended component unit of the City of Syracuse, New York, compliance with the types of compliance requirements 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, 2022. The School District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
Passed-through NYS Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program (NSLP)	10.555	N/A	\$ <u>1,123,869</u>
Cash Assistance			
Summer Seamless Option - Breakfast	10.553	N/A	3,676,913
Summer Seamless Option - Lunch	10.555	N/A	8,701,344
After School Snack Program	10.555	N/A	67,457
Summer Food Service Program for Children (SFSP)	10.559	N/A	670,322
Fresh Fruit and Vegetable Program	10.582	N/A	<u>722,197</u>
Total Cash Assistance			<u>13,838,233</u>
Total Child Nutrition Cluster			<u>14,962,102</u>
COVID-19 Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	N/A	<u>28,427</u>
Passed-through NYS Department of Health:			
Child and Adult Care Food Program (CACFP)	10.558	N/A	<u>384,403</u>
Total U.S. Department of Agriculture			<u>15,374,932</u>
U.S. Department of Justice			
Direct:			
Bureau of Justice Assistance STOP School Violence Program	16.839	N/A	<u>15,070</u>
Total U.S. Department of Justice			<u>15,070</u>
U.S. Department of Labor			
Passed-through CNY Works:			
WIOA Dislocated Worker Formula Grants	17.278	N/A	<u>36,559</u>
Direct:			
WIOA Dislocated Worker Formula Grants	17.278	C18457GG	<u>79,930</u>
Total U.S. Department of Labor			<u>116,489</u>
U.S. Department of Education			
Passed-through Insight Education:			
Teacher and School Leader Incentive Grant	84.374A	N/A	<u>410,494</u>
Passed-through Onondaga Cortland Madison Counties BOCES:			
Adult Education - Basic Grants to States			
WIOA - Title II Correction Education Service Grant	84.002A	N/A	<u>41,259</u>
Passed-through NYS Department of Education:			
Adult Education - Basic Grants to States			
WIOA-Title II Adult Basic	84.002A	2338223168	234,882
WIOA-Title II English Literacy & Civics	84.002A	0040223008	<u>300,000</u>
Total Adult Education - Basic Grants to States			<u>576,141</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, 2022
(Continued)**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education (Continued)			
Passed-through NYS Department of Education (Continued):			
Title I, Grants to Local Educational Agencies (LEAs)			
Title I, Part A	84.010A	0021212165	1,109,734
Title I, Part A	84.010A	0021222165	15,260,138
Title I, Part D	84.010A	0016222165	263,825
Title I, School Improvement	84.010A	0011212006	136,115
Title I, School Improvement	84.010A	0011222006	857,948
Title I, School Improvement	84.010A	0011224006	68,206
Title I, School Improvement	84.010A	0011212706	663,335
Title I, School Improvement	84.010A	0011226006	270,845
Title I, School Improvement	84.010A	0011215015	191,052
Title I, School Improvement	84.010A	0011215016	191,933
Title I, School Improvement	84.010A	0011221006	26,283
Title I, Integration Project	84.010A	0011217140	39,503
Title I, Integration Project	84.010A	0011227140	<u>402,681</u>
Total Title I Grants to Local Educational Agencies (LEAs)			<u>19,481,598</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA, Part B)			
IDEA - Part B, Section 611	84.027A	0032220656	6,090,396
COVID-19 American Rescue Plan Section 611	84.027X	5532220656	<u>78,909</u>
Total Special Education - Grants to States (IDEA, Part B)			<u>6,169,305</u>
Special Education - Preschool Grants (IDEA, Preschool)			
IDEA - Part B, Section 619	84.173A	0033210656	650
IDEA - Part B, Section 619	84.173A	0033220656	345,137
COVID-19 American Rescue Plan - IDEA Part B, Section 619	84.173X	5533220656	<u>16,204</u>
Total Special Education - Preschool Grants (IDEA, Preschool)			<u>361,991</u>
Total Special Education Cluster (IDEA)			<u>6,531,296</u>
Career and Technical Education - Basic Grants to States (Perkins V)			
Pathways in Technology Early College High School	84.048A	8039210013	36,638
Pathways in Technology Early College High School	84.048A	8039220013	427,397
Perkins IV CTEIA	84.048A	8000220010	<u>307,718</u>
Total Career and Technical Education - Basic Grants to States (Perkins V)			<u>771,753</u>
Education for Homeless Children and Youth			
Education for Homeless Children and Youth	84.196A	0212213112	674
Education for Homeless Children and Youth	84.196A	0212223112	925
Education for Homeless Children and Youth	84.196A	0212223033	<u>115,624</u>
Total Education for Homeless Children and Youth			<u>117,223</u>
Twenty-First Century Community Learning Centers			
Twenty-First Century Community Learning Centers	84.287C	0187217119	568
Twenty-First Century Community Learning Centers	84.287C	0187227119	<u>928,111</u>
Total Twenty-First Century Community Learning Centers			<u>928,679</u>
English Language Acquisition State Grants			
Title III, Part A Limited English Proficiency	84.365A	0293212165	197,907
Title III, Part A Limited English Proficiency	84.365A	0293222165	<u>392,214</u>
Total English Language Acquisition State Grants			<u>590,121</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, 2022
(Continued)**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education (Continued)			
Passed-through NYS Department of Education (Continued):			
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Title II, Part A	84.367A	0147212165	1,061,893
Title II, Part A	84.367A	0147222165	720,048
Title II, Part A Model P-20 Partnerships for Principal Preparation	84.367A	0145211003	<u>301,788</u>
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			<u>2,083,729</u>
Student Support and Academic Enrichment Program			
Title IV, Part A	84.424A	0204212165	159,584
Title IV, Part A	84.424A	0204222165	<u>972,899</u>
Total Student Support and Academic Enrichment Program			<u>1,132,483</u>
Education Stabilization Fund (ESF)			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER I) Fund			
	84.425D	5890212165	235,001
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act (ESSER II) Fund			
	84.425D	5891212165	18,842,389
COVID-19 Governor's Emergency Education Relief (GEER I) Fund			
	84.425C	5895212165	16,332
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund			
	84.425U	5880212165	<u>21,902,165</u>
Total Education Stabilization Fund (ESF)			<u>40,995,887</u>
Direct:			
Impact Aid (Title VII of ESEA)	84.041B	N/A	<u>105,419</u>
Indian Education - Formula Grants to Local Educational Agencies	84.060A	S060A210411	<u>210,597</u>
Safe and Drug-Free Schools and Communities - National Programs	84.184G	S184G190087	<u>539,041</u>
Total U.S. Department of Education			<u>74,474,461</u>
U.S. Department of Health and Human Services			
Passed-through Catholic Charities of Onondaga County:			
Refugee and Entrant Assistance - State-Administered Programs	93.566	C00418GG	<u>347,644</u>
Total U.S. Department of Health and Human Services			<u>347,644</u>
Total Expenditures of Federal Awards			<u>\$ 90,328,596</u>

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

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022, the School District received food commodities, the fair market value of which amounted to \$1,123,869 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, 2022.

**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, 2022**

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>
10.553, 10.555, 10.559, 10.582	Child Nutrition Cluster
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, 2022**

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

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

Dollar threshold used to distinguish between
Type A and Type B programs: \$2,709,858

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.