

# ANNUAL FINANCIAL STATEMENTS

The Department of Education of The City of New York  
52 Chambers Street, New York, New York 10007

For the Fiscal Years Ended June 30, 2024 and 2023



Eric Adams, Mayor  
Melissa Aviles-Ramos, Chancellor

Prepared by the Division of Financial Operations

Seritta Scott, Chief Financial Officer

# Table of Contents

INTRODUCTORY SECTION.....	4
Transmittal Letter .....	5
FINANCIAL SECTION .....	8
Report of Independent Certified Public Accountants .....	9
Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings and Responses .....	15
Management’s Discussion and Analysis (Unaudited) .....	17
Basic Financial Statements .....	28
Statements of Net Position as of June 30, 2024 and 2023 .....	29
Statement of Activities for the Year Ended June 30, 2024.....	30
Statement of Activities for the Year Ended June 30, 2023.....	31
Governmental Fund Balance Sheets as of June 30, 2024 and 2023 .....	32
Reconciliations of the Governmental Fund Balance Sheets to the Statements of Net Position as of June 30, 2024 and 2023.....	33
Governmental Fund Statements of Revenues, Expenditures and Changes in Governmental Fund Balances for the Years Ended June 30, 2024 and 2023.....	34
Reconciliations of the Statements of Revenues, Expenditures, and Changes in Governmental Fund Balances to the Statements of Activities for the Years Ended June 30, 2024 and 2023 .....	35
Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances, Budget and Actual - General Fund for the Year Ended June 30, 2024.....	36
Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances, Budget and Actual - General Fund for the Year Ended June 30, 2023.....	37
Statements of Fiduciary Net Position as of June 30, 2024 and 2023 .....	38
Statements of Changes in Fiduciary Net Position for the Years Ended June 30, 2024 and 2023 .....	39
Notes to the Financial Statements.....	40
Required Supplementary Information .....	72
Schedule of the Net OPEB Liability as of June 30, 2024 and 2023 (Unaudited).....	73
Schedule of DOE’s Proportional Share of the Net Pension Liabilities of Cost-Sharing Multiple Employer Pension Plans as of June 30, 2024 and 2023 (Unaudited) .....	74
Schedule of DOE Contributions for TRS and BERS Pension Plans for the Years Ended June 30 (Unaudited).....	75

Supplemental Schedules .....	80
General Fund Schedule of Aged Receivables as of June 30, 2024 with Comparative Totals as of June 30, 2023.....	81
General Fund Schedule of Aged Receivables as of June 30, 2023 with Comparative Totals as of June 30, 2022.....	82
General Fund Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2024....	83
General Fund Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2023....	87
Glossary.....	91

# ANNUAL FINANCIAL STATEMENTS

The Department of Education of The City of New York

For the Fiscal Years Ended June 30, 2024 and 2023

## INTRODUCTORY SECTION

## Transmittal Letter



DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Melissa Aviles-Ramos, *Chancellor*

OFFICE OF THE CHANCELLOR

52 Chambers Street, New York, New York 10007

November 27, 2024

To: The Citizens, Taxpayers, Customers, Investors and Creditors of The City of New York

Subject: Annual Financial Statements for the Fiscal Year Ended June 30, 2024

The Annual Financial Statements for the Department of Education (the “DOE”) of The City of New York (“The City”) for the fiscal year ended June 30, 2024, have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”); are submitted herewith; and include Management’s Discussion and Analysis, Financial Statements, Notes to the Financial Statements and Supplemental Schedules. We believe they are complete and accurate in all material aspects; that they are presented in accordance with accounting principles designed to set forth fairly the financial position and results of operations of the DOE as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the appropriate understanding of the DOE’s financial affairs have been included. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer. The Chief Administrator of the Office of Accounting of the Division of Financial Operations is responsible for the data presented herein.

### **DOE Overview**

The DOE provides primary and secondary education to approximately 1,058,000 students from 3-K to grade 12 and employs approximately 76,000 teachers. As the largest public school district in the United States, the DOE prepares students to meet grade-level standards in reading, writing and math, and is committed to putting every student on a path to college and/or a meaningful career.

The following table summarizes total students by grade band as of June 30, 2024 (rounded):

#### Student Demographics - Fiscal Year 2024

3-K & Pre-K	98,000
K - 5	425,000
6 - 8	219,000
9 - 12	316,000
Total	<u>1,058,000</u>

The DOE’s governance structure is comprised of the Panel for Educational Policy, the Chancellor, superintendents, community and citywide councils, principals, and school leadership teams. Superintendents supervised principals, and geographically-based support offices to provide targeted, one- stop resources to schools across the areas of instruction, operations, student services and supervision.

## **Economic Condition and Outlook**

### **Local Economy**

According to The City's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2024, it is projected that the next four years will exhibit only a moderate rate of economic growth in NYC following the job recovery from the pandemic. Job gains are expected to average 1.0 percent per year in Fiscal Years 2025 through 2028. While moderate job growth is expected to resume for higher-wage industries such as Financial Activities, Information Technology, and Professional and Business Services, the recent trend of comparatively faster growth among The City's lower-wage industries is projected to continue.

In addition, The City's unemployment rate was 4.8 percent in June 2024 (seasonally adjusted) and taxable sales grew by 3.1 percent in Fiscal Year 2024, reflecting a significant slowdown in growth rate as compared to Fiscal Year 2023 when sales grew by 12.0 percent.

### **Fiscal Outlook**

Overall, The City availed itself of \$13.3 billion in additional resources that were primarily used to close the Fiscal Year 2025 budget gap (\$4.4 billion), and to fund, among other expenses, greater than expected contractual services costs, and pay for greater than expected overtime costs.

The DOE continues to face the following financial challenges:

- **Core Operational Services:** Facility maintenance, IT systems and equipment, and health services remain underfunded due to the expiration of federal stimulus funds.
- **School Support and Special Education:** Meeting the needs of vulnerable students—such as providing nurses, therapists, and paraprofessionals for legal compliance—remains a critical and growing expense.
- **Due Process Cases:** Costs associated with Due Process (Carter) Cases continue to rise, driven by increasing tuition fees, non-public school expenses, and delays tied to legal and budgetary processes.
- **Class Size Mandate:** The State's mandate to reduce class sizes is projected to cost between \$1.4 billion and \$1.9 billion annually by 2028, with an additional \$30 billion needed for related facilities expenses.

### **Financial Policies**

The DOE is dependent upon The City for appropriations (spending authority) and does not have the authority to levy taxes or issue debt. As part of the DOE's dependent relationship with The City, The City incurs certain costs on behalf of the DOE that are not allocated to the DOE. Accordingly, these costs are reflected in the accompanying financial statements as contributions and are introduced as adjustments to the DOE's fiscal year budget appropriations, and for financial reporting purposes in accordance with Generally Accepted Accounting Principles (GAAP). Examples include costs for pensions, Other Post-Employment Benefits (OPEB), pollution remediation obligations, judgments and claims and other costs, as required under GAAP. The DOE's financial statements and fiscal year budget appropriations exclude costs related to debt service, as these costs are included in The City's fiscal year budget appropriations and financial statements.

The DOE has two basic sources of funding:

*Tax Levy and Unrestricted Federal and State Aid* - This includes revenue from City taxes (e.g., real estate, income, and sales), New York State formula aid, and certain Federal and State Aid resources (e.g., impact aid and school lunch subsidies).

*Federal and State Categorical Funds* - This includes revenue received from the Federal and New York State governments under programs that are categorical in nature and whose expenditures are restricted by terms and conditions designated by the funding agency. Reimbursement claims for such revenues are made by the DOE to the funding sources based on actual expenditures and on compliance with funding source guidelines.

**Budget Controls**

In accordance with the DOE’s status as a dependent school district, revenues are received for school purposes. As revenues are collected, they are recorded to a series of designated revenue codes established for the DOE. At the beginning of each fiscal year, the estimated amount of revenue expected to be recognized during the fiscal year is used to establish the authorized spending level of the DOE. Budget requests and budget modifications for the use of these revenues are submitted by the DOE to The City Office of Management and Budget (OMB) for review and approval. Approved budgets and budget modifications are entered by OMB into The City’s Financial Management System (FMS), which is the official accounting system for The City.

On behalf of the DOE, The City makes disbursements for expenditures. The actual vouchers and supporting documentation are maintained and reviewed at the schools or the central processing bureaus of the DOE.

**Acknowledgements**

We wish to thank our accounting and finance staff for their dedicated efforts in producing these financial statements. In addition, special thanks to The City’s Office of the Comptroller, School Construction Authority (“SCA”), Office of the Actuary, and The City Audit Committee for their ongoing support and commitment to our public schools.

Respectfully submitted by,

*Seritta Scott*

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Seritta Scott  
Chief Financial Officer

*Leonel Ferreira*

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Leonel Ferreira, CPA  
Chief Administrator

# ANNUAL FINANCIAL STATEMENTS

The Department of Education of The City of New York

For the Fiscal Years Ended June 30, 2024 and 2023

## FINANCIAL SECTION



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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

City Council of The City of New York and  
The Department of Education of The City of New York

**Report on the financial statements****Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Department of Education of The City of New York (the "DOE"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the DOE's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 DOE as of June 30, 2024 and 2023, and the respective changes in financial position and budgetary comparison of the General Fund for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinions**

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 DOE and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of management for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS 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 US GAAS 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 DOE'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 DOE'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 on pages 17 - 27 the Schedule of the Net OPEB Liability on page 73, the Schedule of DOE's Proportional Share of the Net Pension Liabilities of Cost-Sharing Multiple Employer Pension Plans on page 74, and the Schedule of DOE Contributions for TRS and BERS Pension Plans on pages 75 - 79 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required 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 US GAAS. These limited procedures 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the DOE's basic financial statements. The Supplemental Schedules of the General Fund on pages 81 - 90 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary 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. These additional procedures included 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 US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other information**

Management is responsible for the other information included in the annual report. The other information comprises the Transmittal Letter on pages 5 - 7 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 November 27, 2024, on our consideration of the DOE'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 DOE'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 DOE's internal control over financial reporting and compliance.

*Grant Thornton LLP*

New York, New York  
November 27, 2024

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

City Council of The City of New York and  
The Department of Education of The City of New York

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Department of Education of The City of New York (the “DOE”) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the DOE’s basic financial statements, and have issued our report thereon dated November 27, 2024.

### **Report on internal control over financial reporting**

In planning and performing our audit of the financial statements, we considered the DOE’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 DOE’s internal control. Accordingly, we do not express an opinion on the effectiveness of the DOE’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 DOE’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2024-001, that we consider to be a significant deficiency in the DOE’s internal control.

**Report on compliance and other matters**

As part of obtaining reasonable assurance about whether the DOE'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*.

**DOE's response to findings**

*Government Auditing Standards* require the auditor to perform limited procedures on the DOE's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The DOE's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the DOE's response.

**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 DOE'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 DOE's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

New York, New York  
November 27, 2024

The Department of Education of The City of New York

Schedule of Findings and Responses

June 30, 2024

**Finding #: 2024-001**

Internal Controls over Financial Reporting

**Criteria:**

The Standards for Internal Control in the Federal Government, issued by the Comptroller General of the United States, require an auditee to design and implement an internal control environment to achieve effective and efficient operations; reliability of financial reporting; and compliance with applicable laws and regulations. The control environment sets the tone of an organization, which influences the control consciousness of its people. The key factors impacting the control environment include, among other things, management's philosophy and operating style, organizational structure, assignment of authority and responsibility and appropriate policies and procedures.

**Condition, Context, Cause and Effect:**

During our fiscal 2024 audit, we identified certain information technology related findings that we determined to be a significant deficiency in internal control over financial reporting.

The findings identified were as follows:

1. Privileged Access – Security Management

**a. Shared Accounts:**

We noted that there are generically named IDs that are shared between two or more IT personnel within the DOE's general ledger and budget systems, including the supporting databases.

The use of shared IDs is not recommended as it does not promote accountability for the actions performed by each account. We recommend limiting the knowledge of each account password to one individual or, if not feasible, storing the password in a management tool that has check-in/check-out capabilities for the password in order to properly track usage.

**DOE Response:**

The DOE is currently working on the SQL Server migration project which involves many different groups in DIIT. Due to the complexity of the migration, DIIT must ensure that the current access levels are maintained to ensure we are able to provide operational support for FAMIS and Galaxy. No changes will be made to current SQL access until the completion of the SQL Server migration.

Once the migration is completed, access to the SQL environments for FAMIS and Galaxy will be limited to the DIIT Enterprise SQL Admins, and the use of shared credentials will be eliminated.

The target completion date for the SQL Migration is prior to the start of FY 2026 (July 2025) but please note that the target date is subject to change depending on any issues identified during the migration.

**b. Segregation of Duties**

We noted that there are ten non-IT personnel that retain administrator privileges for the DOE's general ledger system.

We recommend removing administrator privileges to the critical financial application from individuals with business process responsibilities. While each department should be responsible for determining which application access rights each employee should be granted, responsibility for administering privileges should be performed outside of that functional area, preferably by the IT function, to be considered effective segregation of duties.

**DOE Response:**

All the instances where privileged access was identified for users outside of the IT function were remediated in July 2024. It should be noted that the ability for the identified users to log on to the system had already been implemented during fiscal 2024 (*the logon ID's had previously been disabled in RACF*) to address the fiscal year 2023 audit finding. While the disabling of the logon ID's prevented access, to completely resolve the issue and the finding, subsequent to the 2024 audit, the profiles of the identified users were altered to permanently remove the privileged access role from the accounts, eliminating the possibility of unintentionally reinstating privileged access if the accounts were re-enabled.

**c. Monitoring Activity for Segregation of Duties**

We noted that there are currently no monitoring tools or processes in place to review user actions on a formal, periodic basis where segregation of duties issues are identified.

Where segregation of duties issues is identified, a logging and monitoring control can help identify inappropriate actions. We recommend implementing a control to review actions performed by non-IT personnel with administrator privileges on a quarterly basis to ensure that only approved job responsibilities are being performed. Reviews should be performed by a member of management with the knowledge to determine what actions are appropriate.

Reviews, including any approvals or follow-ups, should be formally documented and retained.

**DOE Response:**

The DOE will consider the recommendation and whether or not the recommendation can be implemented with existing resources or would require a new need for hardware, software and/or staff.



## Management's Discussion and Analysis (Unaudited)

This section of the Department of Education of The City of New York's (the "DOE") Annual Financial Statements discusses and analyzes the DOE's financial performance for the Fiscal Years ended June 30, 2024 and 2023. Please read it in conjunction with the transmittal letter at the beginning of these financial statements and with the DOE's financial statements, which immediately follow this section.

### Financial Highlights

- In Fiscal Year 2024, General Fund total revenue and expenditures increased by \$1.9 billion, to \$37.4 billion, driven primarily by increases in the DOE's federal and state aid revenue, which accounted for \$1 billion in additional aid over the prior year. Additionally, City provided funding increased by 4 percent to \$19.6 billion. These increases in revenue were offset by incremental increases across the DOE's categorical expenditures.
- In Fiscal Year 2023, General Fund total revenue and expenditures decreased \$100 million to \$35.5 billion, driven primarily by a decrease in the DOE's proportionate share of employer contributions for both pension and other post-employment benefits ("OPEB").
- Net position on June 30, 2024, and 2023 was \$0. The DOE is not an independent school district; thus, the DOE has no net position of its own, and any deficiency is treated as due from The City of New York.
- Total assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported in the governmental funds on June 30, 2024, were \$5.9 billion, a decrease of \$150 million from Fiscal Year 2023. The primary driver of the reduction was a reduction in Charter Lease Aid and Smart Schools Technology claims.
- Total assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported in the governmental funds on June 30, 2023, were \$6.1 billion, a decrease of \$400 million from Fiscal Year 2022. The primary driver of the reduction was a reduction in federal receivables such as stimulus funding, Title I receivables, and federal food accounts receivable.

### Overview of Financial Statements

The following is a narrative overview and analysis of the financial activities of the DOE, as of and for the Fiscal Years ended June 30, 2024, and 2023. This discussion and analysis is intended to serve as an introduction to the basic financial statements of the DOE, which have the following components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to financial statements and (4) required supplemental information.

## **Department-wide Financial Statements**

The Department-wide financial statements report information about the DOE as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the DOE's assets, restricted cash, deferred outflows of resources, liabilities and deferred inflows of resources.

All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when the cash is received or paid.

The Department-wide financial statements include all activities of the DOE in one category: Governmental Activities. These activities comprise school leadership, instruction and special education support; system-wide school support services (e.g., transportation and food); the school support organizations (i.e., superintendents, student enrollment planning and operations); central administration; and charter, non-public, and contract schools.

## **Fund Financial Statements**

The Fund financial statements provide more detailed information about the DOE's funds, focusing on its most significant or "major" funds - not the DOE as a whole. Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. Any other fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users. The DOE only has two major funds, the general and fiduciary funds. Funds are accounting devices used to keep track of specific sources of funding and spending on particular programs.

**Governmental funds** are those by which most basic services of the DOE, such as regular and special education, are financed in the short term. The acquisition, use and balance of the expendable available financial resources and the related liabilities are accounted for through governmental funds. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the DOE's programs. Because this information does not encompass the additional long-term focus of the Department-wide statements, additional information behind the governmental funds statements explains the relationship (or differences) between them.

Since the DOE maintains a dependent relationship with The City of New York ("The City") funding provided by The City is used to supplement revenues received from federal, state, and private sources to finance expenditures incurred through the end of the Fiscal Year. A final modified budget at year-end utilizes The City funding to close the gap between the revenue and expenditures.

**Fiduciary funds:** The DOE is the fiduciary for assets that belong to others, such as the student activities fund. The fiduciary funds statement provides information about the financial relationships in which the DOE acts solely as an agent for the benefit of others. The DOE is responsible for ensuring that the assets are used only for their intended purposes. The DOE excludes these activities from the Department-wide financial statements because the funds are only available to support student programs at their respective schools and not the DOE overall.

The financial statements also include notes that explain data in the statements and provide more detailed information. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison to the DOE's modified budget for the year as well as other information such as pension and OPEB.

The following summarizes the major features of the DOE’s financial statements, including the portion of the DOE’s activities they cover and the types of information they contain. The remainder of this overview section of Management’s Discussion and Analysis highlights the structure and contents of each of the statements.

	<b>Department-wide Statements</b>	<b>Fund Financial Statements Governmental Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire DOE (except fiduciary funds)	The activities of the DOE that are not fiduciary, such as special education and building maintenance	DOE holds and administers resources on behalf of someone else, such as student activities monies
Required financial information	Statement of net position and statement of activities	Balance Sheet and Statement of revenues, expenditures and changes in fund balances	Statement of fiduciary net position and statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources measurement focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term, deferred outflows of resources, and deferred inflows of resources	Generally, asset usage and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included.	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the 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

## Financial Analysis of the Department-wide Financial Statements

As noted earlier, the statement of net position provides the financial status and operating results of the DOE as a whole. The following table provides a summary of the DOE’s net position for all governmental activities as of June 30, 2024, 2023 and 2022:

<b>Condensed Statements of Net Position</b>	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
		(in thousands)	
Current and other assets	\$ 5,910,901	\$ 6,062,028	\$ 6,493,191
Due from The City of New York	24,010,928	25,813,912	27,761,729
Capital assets (net of depreciation/amortization)	36,330,245	34,286,574	32,424,055
Total assets	66,252,074	66,162,514	66,678,975
Deferred outflow of resources	4,110,741	3,251,317	5,375,151
Long-term liabilities	50,672,230	50,531,786	49,667,831
Other liabilities	6,753,425	6,707,575	6,730,698
Total liabilities	57,425,655	57,239,361	56,398,529
Deferred inflows of resources	12,937,160	12,174,470	15,655,597
Net position:			
Net investment in capital assets	36,330,245	34,286,574	32,424,055
Unrestricted deficit	(36,330,245)	(34,286,574)	(32,424,055)
Total net position	\$ -	\$ -	\$ -

Since the DOE is not an independent school district, it has no net position of its own. Unrestricted deficit in net position represents a reporting requirement to illustrate the reductions in net investments in capital assets paid by The City, and thus should be treated as reduction in the gross amount Due from The City of New York.

In Fiscal Year 2024, total assets increased by \$90 million from \$66.2 billion as of June 30, 2023, to \$66.3 billion as of June 30, 2024. This was due largely to a 38 percent increase in the SCA’s construction work-in-process for capital projects undertaken on behalf of the DOE.

In Fiscal Year 2023, total assets decreased by \$516 million from \$66.7 billion as of June 30, 2022, to \$66.2 billion as of June 30, 2023. This was primarily driven by a reduction of \$588 million in federally funded stimulus funding, as these funds wind down following the end of the pandemic. Second was a reduction of \$374 million in Title I receivables, due to accelerated billing and reimbursement in Fiscal Year 2023 relative to Fiscal Year 2022. The DOE also saw a reduction of \$57 million in federal food accounts receivable, as the federal government shifted from emergency pandemic funding in Fiscal Year 2022 to normal food reimbursement in Fiscal Year 2023. Offsetting these is a \$205 million net increase in general categorical programs, including Individuals with Disabilities Education Act (“IDEA”), other Title funding, Head Start and Medicaid.

In Fiscal Year 2024, total liabilities increased by \$186 million, from \$57.2 billion as of June 30, 2023, to \$57.4 billion as of June 30, 2024. This was primarily due to an increase of \$937 million in the OPEB obligations and a \$274 million increase in non-current accrued vacation and sick leave, offset by a net decrease in the pension liability of \$1.1 billion over the prior year.

In Fiscal Year 2023, total liabilities increased by \$841 million from \$56.4 billion as of June 30, 2022, to \$57.2 billion as of June 30, 2023. This was primarily due to an increase of \$2.2 billion in the OPEB obligations, which was offset by a net decrease in the pension liability of \$1.1 billion over the prior year.

In Fiscal Year 2024, current liabilities increased to \$6.8, billion, a net increase of \$46 million, driven by fluctuations in accounts payables and accrued liabilities.

In Fiscal Year 2023, current liabilities remained consistent at \$6.7 billion for both fiscal years 2022 and 2023, with a net decrease of \$23 million, driven by fluctuations in accounts payable and accrued vacation and sick leave balances.

The following provides a summary of changes in the DOE’s net position for all activities as of June 30, 2024, 2023, and 2022:

**Figure 2**

**Condensed Statements of Activities**

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
		(in thousands)	
Revenues:			
Program revenues:			
Charges for services	\$ 268,027	\$ 177,935	\$ 66,519
Operating grants and contributions	17,723,363	16,677,137	17,238,018
General revenues:			
City funded	18,946,920	17,908,559	16,144,530
Other/Intra-city sales	135,676	84,793	80,427
Total revenues	<u>37,073,986</u>	<u>34,848,424</u>	<u>33,529,494</u>
Expenses:			
School leadership, instruction and special education support	25,197,191	23,564,178	22,718,448
School support services	5,370,112	5,244,090	5,159,443
School support organization	381,456	376,063	370,160
Central administration	479,975	448,253	454,800
Non-public, charter and contract schools	5,645,252	5,215,840	4,826,643
Total expenses	<u>37,073,986</u>	<u>34,848,424</u>	<u>33,529,494</u>
Net revenue (expenses)	-	-	-
Change in net position	-	-	-
Net position - beginning	-	-	-
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The key elements of these changes are as follows:

- In Fiscal Year 2024, school leadership, instruction, and special education support increased 6.8 percent from \$23.6 billion in Fiscal Year 2023, to \$25.2 billion in Fiscal Year 2024. This increase was primarily due to the issuance of Mayor’s Personnel Order 2024/1, coupled with the application of the collectively bargained cost-of-living-adjustment of ~3 percent, which led to an overall increase in personnel expenses of approximately \$959 million in Fiscal Year 2024.
- Non-public, charter and contract schools increased by \$429 million from \$5.2 billion in Fiscal Year 2023 to \$5.6 billion in Fiscal Year 2024. Of the \$429 million increase, \$233 million is directly related to increased charter school spending, with an additional \$136 million in funding to contracted schools & foster care payments.
- In Fiscal Year 2023, school leadership, instruction, and special education support increased 4.0 percent from \$22.7 billion in Fiscal Year 2022, to \$23.6 billion in Fiscal Year 2023. This increase was primarily due to the allocation of long-term costs incurred by The City on behalf of the DOE related to pension and OPEB of \$4.0 billion, which were offset by a net reduction in accrued liabilities such as vacation and sick leave and a reduction in estimated prior payables.
- Non-public, charter and contract schools increased by \$389 million from \$4.8 billion in Fiscal Year 2022 to \$5.2 billion in Fiscal Year 2023. Of the \$389 million increase, \$163 million is directly related to increased charter school spending, with an additional \$215 million in funding to contracted schools and the Universal Pre-K program.

### Financial Analysis of the Governmental Funds

As noted earlier, the focus on the DOE’s governmental funds is to provide a detailed, short-term view of outflows and inflows of resources to finance the DOE’s programs. The following table summarizes the changes in fund balances of governmental funds as of June 30, 2024, 2023 and 2022 - (in thousands):

<b>Figure 3</b>	<b>Governmental Funds</b>			<b>Amount Change</b>		<b>Percentage Change</b>	
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2024-2023</b>	<b>2023-2022</b>	<b>2024-2023</b>	<b>2023-2022</b>
<b>General fund</b>							
<b>Assets:</b>							
Cash	\$ 358,348	\$ 305,774	\$ 230,298	\$ 52,574	\$ 75,476	17.2%	32.8%
Accounts receivable							
Federal	3,114,534	3,156,279	3,970,700	(41,745)	(814,421)	-1.3%	-20.5%
State	2,232,751	2,448,995	2,168,184	(216,244)	280,811	-8.8%	13.0%
Non-governmental	197,094	142,125	115,157	54,969	26,968	38.7%	23.4%
<b>Total</b>	<b>\$ 5,902,727</b>	<b>\$ 6,053,173</b>	<b>\$ 6,484,339</b>	<b>\$ (150,446)</b>	<b>\$ (431,166)</b>	<b>-2.5%</b>	<b>-6.6%</b>
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ 5,550,933	\$ 5,366,327	\$ 5,966,756	\$ 184,606	\$ (600,429)	3.4%	-10.1%
Other liabilities	351,794	686,846	508,124	(335,052)	178,722	-48.8%	35.2%
<b>Deferred inflows of resources:</b>							
Grant advances	-	-	9,459	-	(9,459)	0.0%	-100.0%
<b>Total</b>	<b>\$ 5,902,727</b>	<b>\$ 6,053,173</b>	<b>\$ 6,484,339</b>	<b>\$ (150,446)</b>	<b>\$ (431,166)</b>	<b>-2.5%</b>	<b>-6.6%</b>

Changes in total governmental fund assets, liabilities and deferred inflows of resources resulted mainly from the following:

**Changes in Total Assets for Fiscal Year 2024:** Total assets decreased by a net approximation of \$150 million from \$6.1 billion to \$5.9 billion. This was mainly driven by write-downs in federal ESSA grants, including Title I, II, III and IV, for approximately \$52.6 million. This is an incremental increase in federal write downs of \$35.4 million, when compared to fiscal year 2023. Additionally, state Preschool Handicapped experienced a write-down of \$108.6 million, a year over year difference of \$25.8 million in state receivables, when compared to the prior fiscal year.

**Changes in Total Assets for Fiscal Year 2023:** Total assets decreased approximately \$431 million from \$6.5 billion to \$6.1 billion. This was primarily driven by a reduction of \$588 million in federally funded stimulus funding, as these funds wound down following the end of the pandemic. Second was a reduction of \$374 million in Title I receivables, due to accelerated billing and reimbursement in Fiscal Year 2023 relative to Fiscal Year 2022. The DOE also saw a reduction of \$57 million in federal food accounts receivable, as the federal government shifted from emergency pandemic funding in Fiscal Year 2022 to normal food reimbursement in Fiscal Year 2023. Offsetting these is a \$205 million net increase in general categorical programs, including IDEA, other Title funding, Head Start and Medicaid.

**Changes in Total Liabilities and Deferred Inflows of Resources for Fiscal Year 2024:** Governmental Fund liabilities plus deferred inflows of resources had a net decrease of \$150 million, primarily driven by a decrease-of \$213 million in advances from The City. This decrease was offset by an increase accounts payable resulting from expenditures related to other than personnel services (OTPS) cost.

**Changes in Total Liabilities and Deferred Inflows of Resources for Fiscal Year 2023:** Governmental Fund liabilities plus deferred inflows of resources had a net decrease of \$431 million, primarily driven by a decrease of \$600 million in accounts payable and accrued liabilities in the General Fund. The decrease was a result of a reduction in the amount of accruals established to chargeback expenditures related to other than personnel services (OTPS) cost.

The following provides a summary of changes in revenues and expenditures as of June 30, 2024, 2023 and 2022 (in thousands):

<b>Figure 4</b> <b>Changes in Revenue and Expenditures</b>	<b>General Fund</b>			<b>Percentage Change</b>	
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2024–2023</b>	<b>2023–2022</b>
Revenues:					
Federal aid	\$ 4,467,080	\$ 4,047,827	\$ 4,972,742	10.4%	-18.6%
State aid	13,066,893	12,447,117	12,036,606	5.0%	3.4%
Funding by The City	19,614,560	18,787,038	18,421,567	4.4%	2.0%
Other	256,893	242,975	180,585	5.7%	34.5%
Total revenues	<u>\$ 37,405,426</u>	<u>\$ 35,524,957</u>	<u>\$ 35,611,500</u>	5.3%	-0.2%
Expenditures:					
School leadership, instruction and special education support	\$ 25,536,935	\$ 24,190,585	\$ 24,595,859	5.6%	-1.6%
School support services	5,863,489	5,823,960	5,616,287	0.7%	3.7%
School support organization	381,456	376,063	370,160	1.4%	1.6%
Central administration	479,975	448,253	454,800	7.1%	-1.4%
Non-public, charter, and contract schools	5,645,252	5,215,840	4,826,643	8.2%	8.1%
Intra-city sales	(135,676)	(84,793)	(80,427)	60.0%	5.4%
Subtotal	37,771,431	35,969,908	35,783,322	5.0%	0.5%
Net change in estimate of prior payables	(366,005)	(444,951)	(171,822)	-17.7%	159.0%
Total expenditures	<u>\$ 37,405,426</u>	<u>\$ 35,524,957</u>	<u>\$ 35,611,500</u>	5.3%	-0.2%

In Fiscal Year 2024, total revenues increased \$1.9 billion due to increases in Federal and State aid as well as funding provided by The City. The overall increase in federal programs was primarily due to increases of \$96.3 million in Education Stabilization, \$22.4 million in Education for Homeless Children and Youth, \$132.9 million in Title I, \$90.2 million in Aid for Individuals with Disabilities, and \$19.2 million in Federal food reimbursements.

In Fiscal Year 2023, total revenues decreased \$87 million due to decreases in aid provided by the federal government of \$925 million. The decreases in federal revenue were offset by increases in the funding provided by the State and The City. The overall decrease in federal programs was primarily due to reduced COVID-19 and stimulus spending of \$920.6 million and \$33.9 million in decreased meal reimbursement. Offsetting those decreases were increases of \$18.3 million in Title IV reimbursement, \$7.1 million in Title I School Improvement Grants, and \$2.5 million in Substance Abuse Prevention. The decreases were primarily due to spending down nonrecurring stimulus appropriations.

In Fiscal Year 2024, State aid increased by approximately \$620 million. Foundation aid increased by \$564.8 million, Private Excess Cost Aid increased by \$30.5 million, and Preschool Special Education increased by \$28 million.

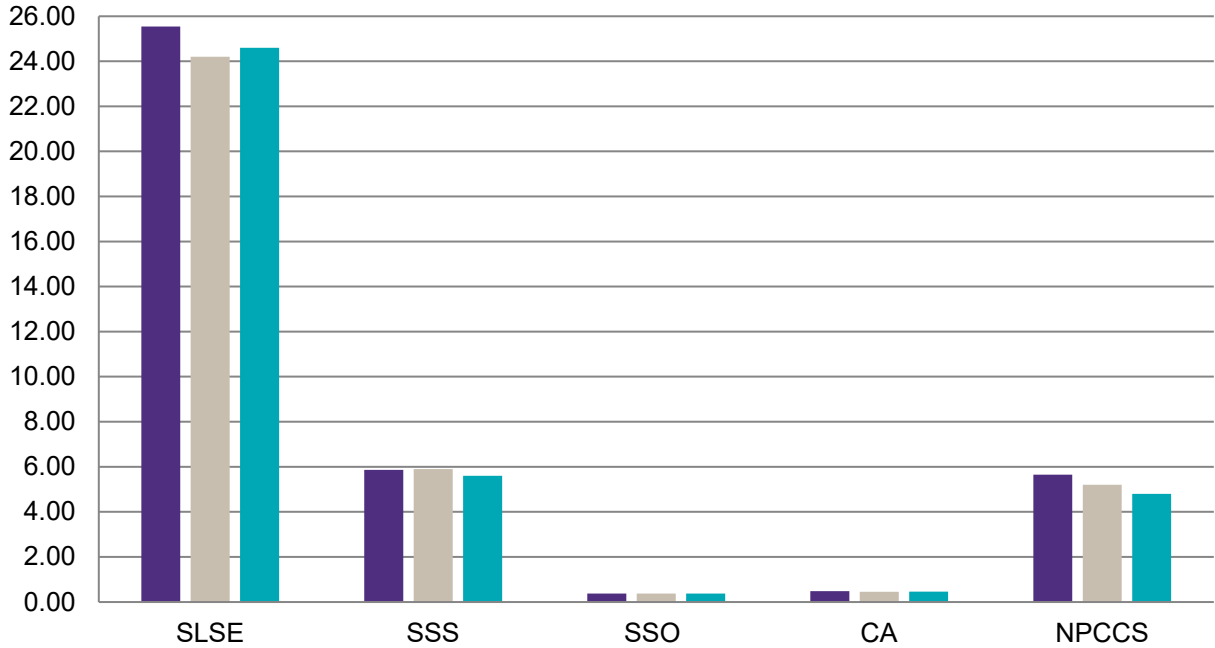
In Fiscal Year 2023, State Aid increased by a net \$410.5 million, due to an increase in Foundation Aid of \$309.1 million, \$52.4 million in Transportation Aid, \$31.7 million in Preschool Handicapped Reimbursement, and \$20.6 million for the State Healthcare Workers Bonus. Offsetting these were decreases of \$3.1 million in Textbook Aid, and a net decrease of \$0.2 million in all other aids.



**Figure 5**

**Summary of Expenditures  
for the Fiscal Years ended June 30, 2024, 2023 and 2022  
(\$ in billions)**

- Expenditures 2024
- Expenditures 2023
- Expenditures 2022



	<u>Functions/Program</u>
SLSE	School leadership, instruction, and special education support
SSS	School support services
SSO	School support organization
CA	Central administration
NPCCS	Non-public, charter and contract schools

In Fiscal Year 2024, total fund expenditures increased by \$1.9 billion. This increase was due primarily to an increase in salary expenditures of approximately \$959 million and other incremental increases in OTPS expenditures across categorical expenditures, such as charter schools, fringe benefits and foster care payments which collectively accounted for an additional \$557 million in Fiscal Year 2024. Expenditures in school leadership, instruction and special education instructional programs increased by \$1.3 billion compared to Fiscal Year 2023. School support services increased by \$40 million, or 0.7 percent, and school support organization costs increased by \$5 million. Central administration, which includes IT expenditures, increased overall by \$32 million. Non-public, charter, and contract schools' expenditures increased \$429 million, an 8.2 percent increase.

In Fiscal Year 2023 total fund expenditures decreased by \$87 million. Expenditures in school leadership, instruction and special education instructional programs decreased by \$405 million compared to Fiscal Year 2022 mainly due to decreases in the proportionate share of both pension and OPEB expenses. School support services increased by \$208 million, or 3.7 percent, and school support organization costs increased by \$6 million. Central administration, which includes IT expenditures, decreased overall by \$7 million. Non-public, charter, and contract schools' expenditures increased \$389 million, an 8.1 percent increase due to charter and Special Education Due Process Case student population increases.

### **General Fund Budgetary Highlights**

Over the course of the year, The City revised the DOE annual operating budget several times. These budget modifications fall into the following categories:

- Intracity adjustments of \$36.8 million to Tax-levy budgets and \$91.8 million to Reimbursable Program budgets.
- November and January Plan Actions, which increased Tax-levy budgets by \$978.7 million and Reimbursable Program budgets by \$23.7 million. The adjustments were primarily due to the following actions: Collective Bargaining, mainly for UFT, CSA, CWA, Custodial, IBT Local 237 and Skilled Trades - \$688.7 million; New Needs, which increased budgets by \$740.2 million in the following program areas: Special Education Due Process Cases - \$490 million; Pupil Transportation - \$116 million; LV Orders - \$25.2 million; Nurses - \$87 million and School Cleaning - \$22 million. Savings program of (\$536.8) million which includes the \$10 million restoration of Community School funds. Net revenue increases of \$112.8 million, the majority consisting of \$64 million in Federal funds, \$49.9 million of SCA revenue, \$2.8 million in Demand Response revenue and a (\$4) million decrease in Non-Resident Tuition. Other adjustments of (\$2.5) million were applied across various programs. In addition to the above, the City reduced Tax-levy funds by (\$204.8) million and increased Federal stimulus Fiscal Recovery Funds by the same amount. These stimulus funds are managed by OMB for eligible expenses.
- Executive and Adopted Budget Actions which increased Tax-levy budgets by \$359.2 million and Reimbursable Program budgets by \$138.7 million. Increases were primarily due to the following: Collective Bargaining, mainly for Managerial and OJ titles, FIT, DC37 and Skilled Trades - \$49 million. New Needs which increased budgets by \$146.9 million in the following program areas: Charter Schools - \$85 million; Pupil Transportation - \$50 million and Personnel Services - \$11.9 million. Revenue adjustments mainly consisting of State Funds - \$49.7 million; Federal Funds - \$289.9 million; SCA revenue - \$69.9 million and E-Rate - \$12.5 million. Expense-related decreases including Welfare Benefits - (\$33.2) million; Heat, Light and Power - (\$72.1) million and Heating Fuel - (\$15.1) million.
- Final Fiscal Year Close Actions, which realigned City funds and increased expense-based aids in Tax-levy budgets by \$51.8 million and in Reimbursable Program budgets by \$81.1 million. Many of these adjustments were re-valued earlier in the fiscal year but were not adjusted until the close.
- Additional Fiscal Year Close Actions, which consisted of an increase to Tax-levy budgets of \$119.9 million, are attributable to the effects of GASB Statement No. 49 requirements.

The DOE’s investment in capital assets (net of accumulated depreciation/amortization) as of June 30, are detailed as follows:

**Figure 6**

	<b>Governmental Activities</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
		(in thousands)	
Land*	\$ 448,963	\$ 448,963	\$ 448,963
Construction in progress*	6,053,645	4,408,140	3,230,759
Buildings	26,169,933	25,812,851	25,450,316
Equipment	611,532	525,005	534,930
Lease assets	3,046,172	3,091,615	2,759,087
<b>Total</b>	<b>\$ 36,330,245</b>	<b>\$ 34,286,574</b>	<b>\$ 32,424,055</b>

\*Asset not depreciable/amortizable

In Fiscal Year 2024, construction in progress increased by \$1.6 billion. This increase is a result of new projects undertaken by the SCA, which is charged with the design, construction, and capital improvement of school facilities.

In Fiscal Year 2023, construction in progress increased by \$1.2 billion. This increase is a result of new projects undertaken by the SCA, which is charged with constructing, improving, and repairing school buildings.

In Fiscal Year 2024, the SCA completed 24 new schools, which resulted in the creation of 11,010 seat openings for the 2024/2025 school year.

In Fiscal Year 2023, the SCA completed 25 new schools, which resulted in the creation of 6,532 seat openings for the 2023/2024 school year.

### **Contacting the Department’s Financial Management**

These financial statements are designed to provide The City’s citizens, taxpayers, customers, investors, and creditors with a general overview of the DOE’s finances and to demonstrate the DOE’s accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

Division of Financial Operations  
65 Court Street, Room 1803A  
Brooklyn, New York 11201

# ANNUAL FINANCIAL STATEMENTS

The Department of Education of The City of New York

For the Fiscal Years Ended June 30, 2024 and 2023

## BASIC FINANCIAL STATEMENTS

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Statements of Net Position as of June 30, 2024 and 2023**

(in thousands)

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS:</b>		
Cash	\$ 8,446	\$ 8,828
Accounts receivable:		
Federal	3,114,534	3,156,279
State	2,232,751	2,448,995
Non-governmental	197,094	142,125
Inventories	8,174	8,855
Due from The City of New York	24,010,928	25,813,912
Restricted cash	349,902	296,946
Capital assets (net of accumulated depreciation):		
Land	448,963	448,963
Construction in progress	6,053,645	4,408,140
Buildings	26,169,933	25,812,851
Equipment (including software)	611,532	525,005
Lease assets	3,046,172	3,091,615
Total assets	<u>66,252,074</u>	<u>66,162,514</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Deferred outflows from pension	2,162,006	51,423
Deferred outflows from OPEB	1,948,735	3,199,894
Total deferred outflows of resources	<u>4,110,741</u>	<u>3,251,317</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	5,550,933	5,366,327
Other liabilities	115,185	240,975
Due to SCA	36	150
Due to NYCSSS	3,527	-
Pollution remediation obligations	88,072	97,324
Accrued vacation and sick leave	639,089	654,442
Lease liability	238,031	228,792
Accrued judgments and claims	118,552	119,565
Noncurrent liabilities:		
Pollution remediation obligations	9,786	10,814
Accrued vacation and sick leave	2,753,181	2,479,525
Lease liability	2,969,165	2,967,054
Accrued judgments and claims	352,971	329,982
Net pension liability	11,996,961	13,091,482
Net OPEB liability	32,590,166	31,652,929
Total liabilities	<u>57,425,655</u>	<u>57,239,361</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred inflows from pension	4,712,206	2,155,805
Deferred inflows from OPEB	8,224,954	10,018,665
Total deferred inflows of resources	<u>12,937,160</u>	<u>12,174,470</u>
<b>NET POSITION:</b>		
Net investment in capital assets	36,330,245	34,286,574
Unrestricted deficit	(36,330,245)	(34,286,574)
Total net position (deficit)	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Statement of Activities for the Year Ended June 30, 2024**

(in thousands)

	<u>Program Revenue</u>			<b>Net (Expenses) Revenues</b>
	<b>Program Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Function/programs:</b>				
School leadership, instruction and special education support	\$ 25,197,191	\$ 81,209	\$ 14,802,227	\$ (10,313,755)
School support services	5,370,112	136,268	2,268,158	(2,965,686)
School support organization	381,456	-	-	(381,456)
Central administration	479,975	-	-	(479,975)
Non-public, charter, and contract schools	<u>5,645,252</u>	<u>50,550</u>	<u>652,978</u>	<u>(4,941,724)</u>
Total department activities	<u>\$ 37,073,986</u>	<u>\$ 268,027</u>	<u>\$ 17,723,363</u>	(19,082,596)
<b>General revenues:</b>				
City funded				18,946,920
Intra-city sales				<u>135,676</u>
Change in net position				-
Net position (deficit) - beginning				-
Net position (deficit) - ending				<u>\$ -</u>

See accompanying notes to financial statements.

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Statement of Activities for the Year Ended June 30, 2023

(in thousands)

	<u>Program Revenue</u>			<u>Net (Expenses) Revenues</u>
	<u>Program Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
<b>Function/programs:</b>				
School leadership, instruction and special education support	\$ 23,564,178	\$ 49,396	\$ 13,890,070	\$ (9,624,712)
School support services	5,244,090	94,724	2,189,037	(2,960,329)
School support organization	376,063	-	-	(376,063)
Central administration	448,253	-	-	(448,253)
Non-public, charter, and contract schools	<u>5,215,840</u>	<u>33,815</u>	<u>598,030</u>	<u>(4,583,995)</u>
Total department activities	<u>\$ 34,848,424</u>	<u>\$ 177,935</u>	<u>\$ 16,677,137</u>	(17,993,352)
<b>General revenues:</b>				
City funded				17,908,559
Intra-city sales				<u>84,793</u>
Change in net position				-
Net position (deficit) - beginning				<u>-</u>
Net position (deficit) - ending				<u>\$ -</u>

See accompanying notes to financial statements.

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Governmental Fund  
Balance Sheets as of June 30, 2024 and 2023**

(in thousands)

	<b>General Fund</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS:</b>		
Cash	\$ 8,446	\$ 8,828
Accounts receivable:		
Federal	3,114,534	3,156,279
State	2,232,751	2,448,995
Non-Governmental	197,094	142,125
Restricted cash	<u>349,902</u>	<u>296,946</u>
 Total assets	 <u>\$ 5,902,727</u>	 <u>\$ 6,053,173</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 5,550,933	\$ 5,366,327
Advances from The City of New York	233,046	445,721
Other liabilities	115,185	240,975
Due to SCA	36	150
Due to NYCSSS	<u>3,527</u>	<u>-</u>
 Total liabilities	 <u>5,902,727</u>	 <u>6,053,173</u>
<b>FUND BALANCE</b>	<u>-</u>	<u>-</u>
 Total liabilities and fund balance	 <u>\$ 5,902,727</u>	 <u>\$ 6,053,173</u>

See accompanying notes to financial statements.



**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Reconciliations of the Governmental Fund Balance Sheets to the Statements of Net Position  
as of June 30, 2024 and 2023**

**(in thousands)**

	<u>2024</u>	<u>2023</u>
Total fund balance - governmental fund	\$ -	\$ -
Amounts reported for governmental activities in the statements of net position are different because:		
Inventories recorded in the statement of net position are recorded as expenditures in the governmental fund	8,174	8,855
Capital assets net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in governmental fund	36,330,245	34,286,574
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and therefore, are not reported in the governmental fund:		
Due from The City of New York	24,243,974	26,259,633
Deferred outflows from pension	2,162,006	51,423
Deferred outflows from OPEB	1,948,735	3,199,894
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and accordingly are not reported in the governmental funds:		
Pollution remediation obligations	(97,858)	(108,138)
Accrued vacation and sick leave	(3,392,270)	(3,133,967)
Lease liability	(3,207,196)	(3,195,846)
Accrued judgments and claims	(471,523)	(449,547)
Employer pension obligations	(11,996,961)	(13,091,482)
Net OPEB liability	(32,590,166)	(31,652,929)
Deferred inflows from pension	(4,712,206)	(2,155,805)
Deferred inflows from OPEB	(8,224,954)	(10,018,665)
Net position - governmental activities	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

# DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

## Governmental Fund

### Statements of Revenues, Expenditures and Changes in Governmental Fund Balances for the Years Ended June 30, 2024 and 2023

(in thousands)

	General Fund	
	2024	2023
<b>REVENUES:</b>		
Federal aid	\$ 4,467,080	\$ 4,047,827
State aid	13,066,893	12,447,117
Other assistance	189,390	182,193
Charges for services:		
School Construction Authority	188,359	131,583
Rentals	35,384	33,786
Other	44,284	12,566
Subtotal	17,991,390	16,855,072
Net change in estimate of prior receivables	(200,524)	(117,153)
Subtotal	17,790,866	16,737,919
Funding provided by The City of New York	19,614,560	18,787,038
Total revenues	37,405,426	35,524,957
<b>EXPENDITURES:</b>		
General education instruction and school leadership	10,213,204	9,505,412
Special education instruction and school leadership	2,893,929	2,724,020
Charter schools	3,144,896	2,911,909
School support organization	333,905	328,733
Citywide education instruction and school leadership	1,485,345	1,345,094
Special education instructional support	832,369	667,719
School facilities	1,586,541	1,488,405
Pupil transportation	1,665,790	1,624,435
School food services	579,951	576,169
School safety	362,305	342,554
Energy and leases	751,921	763,199
Central administration	420,143	391,838
Fringe benefits	3,917,783	3,729,425
Pre-kindergarten contracts	830,302	783,474
Contract schools and foster care payments	1,565,917	1,430,286
Non-public schools	104,137	90,171
Reimbursable - categorical programs	2,655,590	2,775,807
Pensions	3,300,164	3,217,752
Other Post Employment Benefits (OPEB)	1,015,351	989,099
Leases	247,564	369,200
Intra-city sales	(135,676)	(84,793)
Subtotal	37,771,431	35,969,908
Net change in estimate of prior payables	(366,005)	(444,951)
Total expenditures	37,405,426	35,524,957
Excess of revenues over expenditures	-	-
<b>FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Reconciliations of the Statements of Revenues, Expenditures, and Changes in  
Governmental Fund Balances to the Statements of Activities for the Years Ended June 30,  
2024 and 2023**

(in thousands)

	<u>2024</u>	<u>2023</u>
Excess of revenues over expenditures - Governmental funds	\$ -	\$ -
Amounts reported for governmental activities in the statements of activities are different because:		
In the statements of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays changed from prior year, net of depreciation expense.	2,043,671	1,862,519
The net effect of various transactions with The City, and their effect on the amount reported as due from The City of New York	(2,015,659)	(1,885,445)
Net change in inventory	(681)	3
Some expenses reported in the statements of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental fund:		
Change in pollution remediation obligations	10,280	(14,273)
Change in sick leave and vacation liability	(258,303)	51,548
Change in lease liability	(11,350)	(144,260)
Change in judgments and claims liability	(21,976)	(67,469)
Change in employer pension obligations and pension - related deferred outflows and inflows of resources	648,703	95,935
Change in other postemployment benefit obligations and other postemployment deferred outflows and inflows of resources	<u>(394,685)</u>	<u>101,442</u>
Change in net position - governmental activities	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances,  
Budget and Actual - General Fund for the Year Ended June 30, 2024**

(in thousands)

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance*</u>
<b>REVENUES:</b>				
Federal aid	\$ 3,932,758	\$ 4,477,136	\$ 4,467,080	\$ (10,056)
State aid	13,111,443	13,066,893	13,066,893	-
Other assistance	61,680	189,390	189,390	-
Charges for services:				
School Construction Authority	68,490	188,359	188,359	-
Rentals	36,500	36,500	35,384	(1,116)
Other	16,174	46,648	44,284	(2,364)
Subtotal	17,227,045	18,004,926	17,991,390	(13,536)
Net change in estimate of prior receivables	-	-	(200,524)	(200,524)
Subtotal	17,227,045	18,004,926	17,790,866	(214,060)
Funding provided by The City of New York	18,821,775	19,796,923	19,614,560	(182,363)
Total revenues	<u>36,048,820</u>	<u>37,801,849</u>	<u>37,405,426</u>	<u>(396,423)</u>
<b>EXPENDITURES:</b>				
General education instruction and school leadership	9,687,405	10,098,917	10,213,204	(114,287)
Special education instruction and school leadership	2,937,846	2,908,220	2,893,929	14,291
Charter schools	3,017,197	3,155,532	3,144,896	10,636
School support organization	285,989	295,880	333,905	(38,025)
Citywide education instruction and school leadership	1,381,693	1,500,920	1,485,345	15,575
Special education instructional support	733,616	850,011	832,369	17,642
School facilities	1,168,701	1,568,463	1,586,541	(18,078)
Pupil transportation	1,674,842	1,735,965	1,665,790	70,175
School food services	546,289	609,684	579,951	29,733
School safety	328,529	368,856	362,305	6,551
Energy and leases	841,099	752,185	751,921	264
Central administration	297,624	327,874	420,143	(92,269)
Fringe benefits	4,023,189	3,917,417	3,917,783	(366)
Pre-kindergarten contracts	929,192	872,268	830,302	41,966
Contract schools and foster care payments	1,059,927	1,541,380	1,565,917	(24,537)
Non-public schools	162,700	118,586	104,137	14,449
Reimbursable - categorical programs	2,423,162	2,758,440	2,655,590	102,850
Intra-city sales	(13,259)	(141,828)	(135,676)	(6,152)
Subtotal	31,485,741	33,238,770	33,208,352	30,418
Net change in estimate of prior payables	-	-	(366,005)	366,005
Subtotal	31,485,741	33,238,770	32,842,347	396,423
Pensions	3,300,164	3,300,164	3,300,164	-
Other Post Employment Benefits (OPEB)	1,015,351	1,015,351	1,015,351	-
Leases	247,564	247,564	247,564	-
Total expenditures	<u>36,048,820</u>	<u>37,801,849</u>	<u>37,405,426</u>	<u>396,423</u>
Excess of revenues over expenditures	-	-	-	-
<b>FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Note: Variance is the comparison of the modified budget to actual.

See accompanying notes to financial statements.

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances,  
Budget and Actual - General Fund for the Year Ended June 30, 2023**

(in thousands)

	<u>Adopted Budget</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance*</u>
<b>REVENUES:</b>				
Federal aid	\$ 3,710,327	\$ 3,990,651	\$ 4,047,827	\$ 57,176
State aid	12,479,776	12,447,117	12,447,117	-
Other assistance	61,680	182,193	182,193	-
Charges for services:				
School Construction Authority	68,490	131,583	131,583	-
Rentals	36,500	36,500	33,786	(2,714)
Other	16,174	16,174	12,566	(3,608)
Subtotal	<u>16,372,947</u>	<u>16,804,218</u>	<u>16,855,072</u>	<u>50,854</u>
Net change in estimate of prior receivables	-	-	(117,153)	(117,153)
Subtotal	<u>16,372,947</u>	<u>16,804,218</u>	<u>16,737,919</u>	<u>(66,299)</u>
Funding provided by The City of New York	<u>19,224,793</u>	<u>19,196,799</u>	<u>18,787,038</u>	<u>(409,761)</u>
Total revenues	<u>35,597,740</u>	<u>36,001,017</u>	<u>35,524,957</u>	<u>(476,060)</u>
<b>EXPENDITURES:</b>				
General education instruction and school leadership	9,368,188	9,497,440	9,505,412	(7,972)
Special education instruction and school leadership	3,122,712	2,923,938	2,724,020	199,918
Charter schools	2,957,677	2,911,909	2,911,909	-
School support organization	289,748	290,020	328,733	(38,713)
Citywide education instruction and school leadership	1,426,137	1,349,193	1,345,094	4,099
Special education instructional support	735,429	677,017	667,719	9,298
School facilities	1,124,745	1,474,598	1,488,405	(13,807)
Pupil transportation	1,630,362	1,703,434	1,624,435	78,999
School food services	530,238	624,532	576,169	48,363
School safety	389,445	345,901	342,554	3,347
Energy and leases	652,843	761,654	763,199	(1,545)
Central administration	302,163	399,750	391,838	7,912
Fringe benefits	3,880,223	3,682,190	3,729,425	(47,235)
Pre-kindergarten contracts	929,192	799,316	783,474	15,842
Contract schools and foster care payments	909,927	1,176,402	1,430,286	(253,884)
Non-public schools	115,417	92,944	90,171	2,773
Reimbursable - categorical programs	2,667,557	2,805,364	2,775,807	29,557
Intra-city sales	(10,314)	(90,636)	(84,793)	(5,843)
Subtotal	<u>31,021,689</u>	<u>31,424,966</u>	<u>31,393,857</u>	<u>31,109</u>
Net change in estimate of prior payables	-	-	(444,951)	444,951
Subtotal	<u>31,021,689</u>	<u>31,424,966</u>	<u>30,948,906</u>	<u>476,060</u>
Pensions	3,217,752	3,217,752	3,217,752	-
Other Post Employment Benefits (OPEB)	989,099	989,099	989,099	-
Leases	369,200	369,200	369,200	-
Total expenditures	<u>35,597,740</u>	<u>36,001,017</u>	<u>35,524,957</u>	<u>476,060</u>
Excess of revenues over expenditures	-	-	-	-
<b>FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Note: Variance is the comparison of the modified budget to actual.

See accompanying notes to financial statements.

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Statements of Fiduciary Net Position as of June 30, 2024 and 2023**

(in thousands)

	<b>Custodial Funds</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 35,091	\$ 33,313
Total assets	<u>\$ 35,091</u>	<u>\$ 33,313</u>
<b>NET POSITION</b>		
Restricted funds raised for student activities	\$ 31,460	\$ 30,984
Restricted for scholarship payments from the consolidated trust fund	1,987	1,963
Restricted for school projects	<u>1,644</u>	<u>366</u>
Total net position	<u>\$ 35,091</u>	<u>\$ 33,313</u>

See accompanying notes to financial statements.

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Statements of Changes in Fiduciary Net Position for the Years Ended June 30, 2024 and 2023**

(in thousands)

	<b>Custodial Funds</b>	
	<b>2024</b>	<b>2023</b>
<b>ADDITIONS</b>		
Interest income	\$ 30	\$ 22
School deposits	62,826	62,775
Other deposits	<u>1,811</u>	<u>377</u>
Total additions	<u>64,667</u>	<u>63,174</u>
<b>DEDUCTIONS</b>		
Payment for school activities	62,353	61,791
Consolidated trust fund	4	3
Lunch reimbursement	-	633
Project payments	<u>532</u>	<u>40</u>
Total deductions	<u>62,889</u>	<u>62,467</u>
Net increase in fiduciary net position	1,778	707
<b>NET POSITION</b>		
Restricted for student activities and scholarships		
Beginning of year	<u>33,313</u>	<u>32,606</u>
End of year	<u>\$ 35,091</u>	<u>\$ 33,313</u>

See accompanying notes to financial statements.

# DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

## Notes to the Financial Statements as of and for the Years Ended June 30, 2024 and 2023

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### 1. Summary of Significant Accounting Policies

#### A. Reporting Entity

The Department of Education of The City of New York (the “DOE” or “Department”) is fiscally dependent on The City of New York (“The City”) and is included in The City’s Annual Comprehensive Financial Report (“ACFR”). The DOE does not have the authority to levy taxes or issue debt and is dependent upon The City for a substantial portion of its appropriations (i.e., spending authority). In addition, The City incurs certain costs on behalf of the DOE that are not allocated to the DOE and, accordingly, are not reflected in the accompanying financial statements. Such costs include current payments for debt service. Thus, the revenues and expenditures and related budget data included in the accompanying financial statements are not indicative of the level of expenditures, as if the DOE were an independent school system.

The City School District of The City of New York (the “New York City public schools”) is the largest school system in the United States, with approximately 1.0 million students taught in more than 1,800 separate schools. The Department covers all five boroughs of New York City. The Department is run by the Panel for Educational Policy and New York City Schools Chancellor. The DOE has an annual budget of approximately \$33.2 billion (net of pension and OPEB expenditures made on behalf of the DOE and lease expenditures recorded in accordance with GASB 87, totaling \$4.6 billion) and employs 144,000 full-time pedagogic and non-pedagogic staff.

The financial statements of the DOE are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, each major governmental fund, and the aggregate remaining fund information of The City that is attributable to the transactions of the DOE. This results in a non-standard reporting framework, an explanation of which follows:

The DOE does not maintain financial or other resources separate and apart from those of The City and, therefore, the DOE’s reported General Fund (“GF”) balance is always zero. The net impact of the DOE’s annual operations are a portion of the overall net impact on The City’s operations, thus the amount of funding provided by The City of New York reported on the DOE’s statements of revenues, expenditures and changes in fund balance in the GF is a calculated amount; it is the difference between that year’s total DOE GF expenditures and the total of all other DOE GF revenue for the year. Any difference between the calculated funding provided by The City of New York and actual liquidated expenditures made by The City on behalf of the DOE during the year is reported as due from or advance from The City of New York on the DOE’s GF balance sheets.

Similarly, as illustrated on the GF’s reconciliations of the balance sheets to the statements of net position, the net position (deficit) of the DOE is the difference between (1) long-term assets and deferred outflows and (2) long-term liabilities and deferred inflows. Any changes in net position are similarly reflected as changes to the amount due from The City of New York on the DOE’s statements of net position.



## **B. Basis of Presentation**

**Department-wide Financial Statements** - The Department-wide financial statements consist of the statements of net position and the statements of activities. The DOE has no net position (deficit) of its own, and due from The City of New York is a calculated amount. The statements of net position present the difference between the DOE's total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources.

The statements of activities present a comparison between direct expenses and program revenues for each function and program of the DOE's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (i) charges for services such rental revenues; and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Other revenues not recorded as program revenues are reported as general revenues.

**Description of Functions in the Statements of Activities** - The statements of activities summarize program expenses by major functions, as follows:

- *School Leadership, Instruction and Special Education Support* - which includes district, high school, special education instructional support and special education services expenditures, such as salary costs of teachers, principals, paraprofessionals and other costs directly and indirectly associated with the classroom.
- *School Support Services* - includes school facilities, pupil transportation, food, school safety, energy and leases.
- *School Support Organization* - includes instructional and oversight offices.
- *Central Administration* - includes central office support services for system-wide maintenance, and for development of agency-wide budgeting, purchasing, accounting and student demographic information applications.
- *Non-public, Charter, and Contract Schools* - represents the amount of funding passing through the DOE to schools not directly managed by the DOE.

**Fund Financial Statements** - The fund financial statements provide information about the DOE's funds, including fiduciary funds. Separate financial statements are provided for governmental and fiduciary funds. The DOE has no governmental funds that are considered non-major. The accounts of the DOE are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, and revenues and expenditures where applicable. Government resources are allotted to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The DOE's funds are grouped in the financial statements in two fund categories, as follows:

**Governmental Fund** - The acquisition, use and balance of the expendable available financial resources and the related liabilities are accounted for through governmental funds. The following is the DOE's General Fund, which is considered a major fund:

- *General Fund* - The General Fund is the general operating fund of the DOE. It is used to account for all financial resources except those required to be accounted for in another fund.

**Fiduciary Funds** - Fiduciary funds are used to account for assets held by the DOE in a custodial capacity. These funds are used to account for assets held by the DOE as a custodian for student activities, individuals and private organizations. The DOE does not have any fiduciary funds other than custodial funds that are reported in the statements of fiduciary net position and the statements of changes in fiduciary net position.

**New Accounting Standards** - In Fiscal Year 2024, the DOE adopted and/or acknowledged the following new standards issued by the *Governmental Accounting Standards*:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statements No. 62*

The Department acknowledges the following GASB statements, which had no impact on the financial reporting nor accounting practices of the DOE:

**Statement No. 100**, is an amendment of GASB Statement No. 62; addresses accounting and financial reporting requirements for certain types of accounting changes and error corrections. In its Fiscal Year ended June 30, 2024, The DOE did not implement any accounting changes or correct any errors to previously issued financial statements. Therefore, the adoption of Statement No. 100 had no impact on the DOE’s current financial statements.

**Pronouncements Issued But Not Yet Effective** - GASB has issued the following pronouncements that may affect future financial position, results of operations, or financial presentation of the DOE upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Statement No.	GASB Accounting Standard	Effective Fiscal Year
101	<i>Compensated Absences</i>	2025
102	<i>Certain Risk Disclosures</i>	2025
103	<i>Financial Reporting Model Improvements</i>	2026

### C. Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The Department-wide 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 flows take place. Non-exchange transactions, in which the DOE either gives or receives value without directly receiving or giving equal value in exchange, include, for example, grants, entitlements, and donations and are recorded on the accrual basis of accounting. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Accounts Receivable** – Accounts receivable includes certain aged receivables from State and Federal sources.

**Inventory** - Materials and donated commodities on hand as of June 30, 2024 and 2023 totaled \$8.2 million and \$8.9 million, respectively, based on the moving average and the FIFO method used to account for ending inventories, and are included in the accompanying statements of net position. Inventories are recorded as expenditures in governmental funds at the time of acquisition and, accordingly, have not been reported on the governmental funds balance sheet.

**Donated Commodities** - The DOE participates in various Federal and State funded food programs. Many of these programs provide for commodities to be supplied to the DOE in lieu of, or in addition to, cash. The assessed value of these donated commodities received in Fiscal Year 2024 and 2023 totaled \$46.4 million and

\$57.2 million, respectively, and is included in Federal aid in the accompanying statements of revenues, expenditures, and changes in governmental fund balances. Consumption of donated commodities for the years ended June 30, 2024, and 2023 totaled \$47 million and \$57.1 million, respectively, and are presented as a reduction in inventory in the statement of net position and an expense in the statement of activities.

**Restricted Cash** - Restricted cash consists of resources controlled by The Department of Education, to be used for specific purposes as outlined within the agreements that established their existence. (See Note 3A Cash).

**Capital Assets** - Capital assets include land, construction work-in-progress, buildings, equipment (including software) and leased assets. The baseline eligibility criteria for a capital project stipulate that the minimum cost threshold for the entire project must be \$50,000. Capital assets, which are used for general governmental purposes and are not available for expenditure, are appropriated in the Capital Budget (See Note 3C Capital Assets), and accounted for, and reported in, the Department-wide financial statements.

Capital assets are generally stated at historical cost, or at estimated historical cost based on appraisals or on other acceptable methods, when historical cost is not available. Donated capital assets are reported at their acquisition value.

Accumulated depreciation and amortization are reported as reductions of capital assets. Depreciation is computed using the straight-line method based upon estimated useful lives of generally 25 to 50 years for new construction, 10 to 25 years for betterments and/or reconstruction, 3 to 15 years for equipment (including software), and 15 to 40 years for infrastructure. Lease assets are amortized over the lease term or the life of the asset, whichever is less.

**Deferred Outflow and Inflows of Resources** - In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the DOE reports deferred outflows of resources in the statements of net position in a separate section following assets. Similarly, the DOE reports deferred inflows of resources in the statements of net position in a separate section following liabilities.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriation, is used by the General Fund during the fiscal year to control expenditures. Cost of goods received, and services rendered on or before June 30 are recognized as expenditures. Encumbrances that do not result in expenditures by year-end lapse.

**Accounts Payable and Accrued Expenditures** - All payments of bills and payrolls after fiscal year-end and accruals for payments to be made in the future, which apply to liabilities incurred as of fiscal year-end. Also included in accounts payable and accrued expenditure are all payments that have been processed, but had not yet cleared as of fiscal year-end, as well as all prior year accruals which had not been liquidated as of fiscal year-end.

**Salaries** - Most instructional personnel are employed under annual employment contracts covering the period from September through the following August. Since all services required under the annual contracts generally are performed prior to June 30, salaries which are disbursed for the months of July and August are accrued on June 30.

**Long-Term Liabilities** - For long-term liabilities, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. All long-term liabilities are reported in the Department-wide statements of net position.

**Pollution Remediation Obligations** - Pollution remediation obligations consist of costs that are identified through an evaluation process for asbestos removal, lead paint removal, and soil contamination remediation project work to be performed at New York City Public Schools. Such obligations are associated with capital assets of the DOE and, accordingly, are recorded in the DOE financial statements.

**Accrued Vacation and Sick Leave** - Earned vacation and sick leave and Cumulative Absence Reserve (“CAR”) are recorded as expenditures in the period when they are payable from current financial resources in the fund financial statements. Under the terms of various labor contracts, the DOE employees are granted vacation and sick leave and CAR in varying amounts. The estimated value of vacation and sick leave and CAR earned by employees, which may be used in subsequent years or paid upon termination or retirement and, therefore, payable from future resources, is recorded as a liability in the Department-wide financial statements.

**Lease Liability** - Lease liability consist of the present value of payments expected to be made during the course of the lease term. The lease term is the period during which a lessee has a noncancelable right to use an underlying asset. Leases include contracts that, although not explicitly identified as leases, meet the definition of a lease. This definition excludes contracts for services except those contracts that contain both a lease component and a service component. See Note 1B Basis of Presentation and Note 3D Lease Commitments for additional disclosures.

**Judgments and Claims** - The City and the DOE are uninsured with respect to most risks including, but not limited to, property damage, personal injury, and workers’ compensation. In the fund financial statements, expenditures for judgments and claims (other than workers’ compensation) are recorded by The City and the DOE on the basis of settlements reached, or judgments entered into, within the current fiscal year. Expenditures for workers’ compensation are recorded when paid. In the Department-wide financial statements, the estimated liability for all judgments and claims incurred, but not yet expended, is recorded as a non-current liability.

**Pensions** - Pensions are recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The provision for pension contributions for the DOE is recorded in The City’s financial statements. That provision includes normal costs, interest on prior pension costs not funded, and amortization of past service costs as determined by the actuary employed by the Boards of Trustees of The City’s major pension systems (see Note 4D). Annual pension cost is calculated in accordance with GASB Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

DOE recognizes a net pension liability/asset for each qualified pension plan in which it participates, which represents the excess of the total pension liability/asset over the fiduciary net position of the qualified pension plan, measured as of The City’s fiscal year-end or The City’s proportionate share thereof in the case of a cost-sharing multiple-employer plan. The DOE reports its proportionate share of The City’s overall pension liability, expense, deferred inflows, and outflows of resources. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources, depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience, are amortized over the weighted average remaining service life of all participants, including retirees, in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they arose. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**Other Postemployment Benefits Obligations** - OPEB accounts for the cost for retiree healthcare and similar, non-pension retiree benefits and are required to be measured and disclosed using the accrual basis of accounting (see Note 4C) regardless of the amount recognized as OPEB expense on the modified accrual basis of accounting. Annual OPEB cost is calculated in accordance with GASB Statement No. 75.

**Estimates and Assumptions** - A number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenditures and the disclosure of contingent liabilities were used to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), as promulgated by the GASB. Significant estimates include accrued expenses and other liabilities, depreciable lives of buildings and equipment-assuming normal maintenance, amortization of leasehold improvements, accrued vacation and sick leave, accrued judgments and claims, pension, and OPEB obligations and pollution remediation obligations. Actual results could differ from those estimates. In accordance with GASB Standards No. 68, 75 and 87, the DOE reports expenditures paid on its behalf by the City. Specifically, cost related to pensions, OPEB and leases are shown as additions to expenditures and revenue (funding provided by The City of New York) in the statements of revenues, expenditures, and changes in governmental fund balances, totaling \$4.6 billion in both fiscal years 2024 and 2023. Accordingly, the statements of revenues, expenditures and changes in governmental fund balances, budget and actual also includes these costs for comparative purposes, within its presentation of adopted budget, modified budget and actual.

**School Fiduciary Activity Funds** - General school funds are established by individual schools to account for monies received from students and organizations. These monies are raised primarily through school or student non-classroom activities to finance approved activities. Since the community school districts and the individual schools function solely as custodians in the collection and disbursement of these monies, the monies are reported as fiduciary funds in the accompanying statements. The cash in the custodial fiduciary fund includes the balances of approximately 1,500 separate school activity funds held in bank accounts.

**Program Revenue** - Program revenue is derived from federal, state, and private aid sources.

**Reconciliation of Department-wide and Fund Financial Statements** - A summary reconciliation of the differences between the total fund balance as reflected on the DOE’s fund balance sheets and total net position as reflected on the Department-wide statement of net position is presented in the accompanying statements to the governmental fund balance sheets. The asset and liability elements that comprise the differences are related to the governmental funds using the current financial resources measurement focus and the modified accrual basis of accounting, while the Department-wide financial statements use the economic resources measurement focus and accrual basis of accounting.

**Reconciliation of the Statement of Revenue, Expenditures and Statement of Activities** - A summary reconciliation of the differences between net changes in long-term liability, depreciation expense and net expense to be funded long-term from The City. These are reflected on the fund statements of revenues, expenditures and changes in fund balances and the program activities as shown on the Department-wide statements of activities presented in the accompanying statements, as well.

**Program Expenses** - Program expenses denote the use of funds derived from federal and state aid sources, charges for services and funding from The City. The total program expenses included in the statement of activities for the year ended June 30, 2024 and 2023 is \$37.1 billion and \$34.8 billion, respectively, which differs from the total expenditures and other uses included in the statement of revenues, expenditures and changes in fund balance in the amount of \$37.4 billion and \$35.5 billion, respectively, because of the net change in long-term liabilities, intra-city sales and changes in inventory to convert from the modified accrual basis of accounting to the full accrual basis (as outlined in the Management’s Discussion and Analysis section).

The following schedule reconciles these two accounting bases (in thousands):

	<u>2024</u>	<u>2023</u>
Total expenditures net of intra-city sales (from the statement of revenues, expenditures and changes in fund balance)	\$ 37,405,426	\$ 35,524,957
Add back intra-city sales (which are included in general revenue in statements of activities)	135,676	84,793
Inventory expense	681	(3)
Long-term liabilities per full accrual basis:		
Net change in pollution remediation obligations	(10,280)	14,273
Net change in sick leave and vacation balances	258,303	(51,548)
Net change in lease liability	(483,778)	(594,140)
Net change in judgments and claims	21,976	67,469
Net change in employer pension obligations and pension related deferred outflows and inflows of resources	(648,703)	(95,935)
Net change in other postemployment benefit obligations and other postemployment deferred outflows and inflows of resources	<u>394,685</u>	<u>(101,442)</u>
Total program expenses (from the statement of activities)	<u>\$ 37,073,986</u>	<u>\$ 34,848,424</u>

## 2. Stewardship, Compliance, and Accountability

### A. Budgetary Data

The revenue and expenditure budget is in accordance with GAAP with respect to those elements that are the DOE's responsibility, and such a budget is to be balanced by following mandatory requirements of The City Charter. Annual expenditure budget appropriations are adopted as described below for the General Fund. During the year, decreases or increases to the budget, including amounts rolled to the subsequent fiscal year, adjust the final modified budget. Unused budget amounts lapse at the fiscal year-end.

Appropriations are also made in a capital budget to authorize the expenditure of funds for various capital projects. Capital appropriations, unless modified or rescinded, remain in effect until the completion of each project. The budget of the DOE consists of units of appropriation. Each unit of appropriation represents an area of instructional costs, a service program, or a division within the DOE. The City Council, through the adopted budget of The City, appropriates funds to these units of appropriation.

Distinct units of appropriation are required for personnel service expenditures and other than personnel service expenditures. Each unit of appropriation is delineated further by budget codes, which designate individual functions within a unit of appropriation (office, bureau or type of service). For personnel service expenditures, line numbers further refine budget codes identifying specifically the titles funded. For other than personnel service expenditures, object codes further refine budget codes identifying specifically the types of goods or services funded (e.g., supplies, equipment, contractual services).

The Divisions of Finance, School Budgetary Planning and Operations monitor expenditures throughout the fiscal year to ensure that spending remains within the amount of funds authorized in each unit of appropriation. Budget modifications are processed as required to transfer funds from one unit of appropriation, budget code, line number or object code to another as needed. Budget modifications require City Council approval if cumulative modifications are greater than or equal to 5 percent of the adopted budget for the unit of appropriation. The appropriation for heat, light, and power is determined by other City agencies.

### B. Appropriations Modifications

The following schedule summarizes budget modifications for the year ended June 30, 2024 (in thousands):

	<b>Originally Adopted Budget</b>	<b>Net Modifications</b>	<b>Modified Budget</b>
Tax-levy programs	\$ 29,075,838	\$ 1,546,320	\$ 30,622,158
Reimbursable programs	<u>2,423,162</u>	<u>335,278</u>	<u>2,758,440</u>
Subtotal	31,499,000	1,881,598	33,380,598
Less: Intra-city sales	<u>(13,259)</u>	<u>(128,569)</u>	<u>(141,828)</u>
Total	<u>\$ 31,485,741</u>	<u>\$ 1,753,029</u>	<u>\$ 33,238,770</u>

Tax-levy and reimbursable modifications included the following (in thousands):

	<u>Tax Levy</u>	<u>Reimbursable</u>
Intra-city purchases	\$ 36,768	\$ 91,801
November and January Plan Actions	978,722	23,719
Executive and adoption	359,203	138,703
Year-end closing actions	51,756	81,055
GASB No. 49 - Pollution remediation	<u>119,871</u>	<u>-</u>
Total net modifications	<u>\$ 1,546,320</u>	<u>\$ 335,278</u>

The following schedule summarizes budget modifications for the year ended June 30, 2023 (in thousands):

	<u>Originally Adopted Budget</u>	<u>Net Modifications</u>	<u>Modified Budget</u>
Tax-levy programs	\$ 28,364,446	\$ 345,792	\$ 28,710,238
Reimbursable programs	<u>2,667,557</u>	<u>137,806</u>	<u>2,805,363</u>
Subtotal	31,032,003	483,598	31,515,601
Less: Intra-city sales	<u>(10,314)</u>	<u>(80,321)</u>	<u>(90,635)</u>
Total	<u>\$ 31,021,689</u>	<u>\$ 403,277</u>	<u>\$ 31,424,966</u>

Tax-levy and reimbursable modifications included the following (in thousands):

	<u>Tax Levy</u>	<u>Reimbursable</u>
Intra-city purchases	\$ 30,291	\$ 50,030
November and January Plan Actions	163,982	23,320
Executive and adoption	69,988	12,287
Year-end closing actions	(27,549)	52,169
GASB No. 49 - Pollution remediation	<u>109,080</u>	<u>-</u>
Total net modifications	<u>\$ 345,792</u>	<u>\$ 137,806</u>



### 3. Detailed Notes on Accounts

#### A. Cash

Bank balances are maintained with banks that are members of the Federal Deposit Insurance Corporation (“FDIC”). The FDIC insures bank balances up to a maximum of \$250,000 in the aggregate for each bank for all funds. The DOE’s General Fund cash balance is part of The City’s cash management system of accounts, which are considered one depositor for FDIC purposes. For cash held by the DOE in a fiduciary capacity, custodial fund, The City’s Department of Finance determines the amounts that are insured or collateralized. The City’s June 30, 2024 and 2023 General Fund bank balances, which includes the DOE’s General Fund bank deposits, were uninsured but were collateralized with securities held by The City’s agent in The City’s name.

#### Unrestricted and Restricted Cash

DOE-controlled accounts that are used for minor expenditures (known as imprest accounts) are established and approved by The City and are classified as unrestricted cash. Certain cash designated by donors for specific purpose to award scholarships to students as well as resources set aside for contract payments are classified as restricted cash. The consolidated trust fund consists of individual trust funds which benefit students within the NY School system by awarding them scholarship and/or non-financial awards in recognition of their achievements on a yearly basis.

The following is a summary of the unrestricted and restricted cash as of June 30, 2024, and 2023 (in thousands):

	<u>2024</u>	<u>2023</u>
<b>Unrestricted and restricted cash:</b>		
Unrestricted cash	\$ 8,446	\$ 8,828
Restricted cash	<u>349,902</u>	<u>296,946</u>
Total unrestricted and restricted cash	<u>\$ 358,348</u>	<u>\$ 305,774</u>

#### B. Investments

In accordance with New York State Education Law, substantially all General Fund revenues are paid directly to and deposited with The City. Such amounts are commingled and invested with The City’s funds and are not included in the accompanying balance sheets. The City’s investment of cash in its governmental fund types is currently limited to U.S. Government guaranteed securities and U.S. Government agency securities purchased directly and through repurchase agreements from primary dealers as well as commercial paper rated A1 and P1 by Standard & Poor’s Corporation and Moody’s Investors Service, Inc., respectively. The repurchase agreements must be collateralized by U.S. Government guaranteed securities, U.S. Government agency securities, or eligible commercial paper in a range of 100 percent to 102 percent of the matured value of the repurchase agreements.

The DOE’s regulations permit schools to deposit student activity funds in banks authorized by The New York City Department of Finance. A school cannot open accounts without the approval of the DOE.

## C. Capital Assets

The changes in the various classes of capital assets for the years ended June 30, 2024 and 2023 were as follows (in thousands):

<b>Capital Assets</b>	<b>Balance June 30, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>
Capital assets not being depreciated/amortized:				
Land	\$ 448,963	\$ -	\$ -	\$ 448,963
Construction in progress	4,408,140	3,897,701	2,252,196	6,053,645
Total capital assets not being depreciated/amortized	<u>4,857,103</u>	<u>3,897,701</u>	<u>2,252,196</u>	<u>6,502,608</u>
Capital assets being depreciated/amortized:				
Buildings	54,775,296	2,430,953	168,126	57,038,123
Equipment (including software)	1,663,053	327,568	13,358	1,977,263
Lease assets	3,651,400	247,564	-	3,898,964
Gross balance capital assets	<u>60,089,749</u>	<u>3,006,085</u>	<u>181,484</u>	<u>62,914,350</u>
Less accumulated depreciation/amortization:				
Buildings	28,962,445	1,906,011	266	30,868,190
Equipment (including software)	1,138,048	227,683	-	1,365,731
Lease assets	559,785	293,007	-	852,792
Total accumulated depreciation/amortization	<u>30,660,278</u>	<u>2,426,701</u>	<u>266</u>	<u>33,086,713</u>
Net capital assets being depreciated/amortized	<u>29,429,471</u>	<u>579,384</u>	<u>181,218</u>	<u>29,827,637</u>
Total capital assets	<u>\$ 34,286,574</u>	<u>\$ 4,477,085</u>	<u>\$ 2,433,414</u>	<u>\$ 36,330,245</u>

<b>Capital Assets</b>	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>
Capital assets not being depreciated/amortized:				
Land	\$ 448,963	\$ -	\$ -	\$ 448,963
Construction in progress	3,230,759	3,526,428	2,349,047	4,408,140
Total capital assets not being depreciated/amortized	<u>3,679,722</u>	<u>3,526,428</u>	<u>2,349,047</u>	<u>4,857,103</u>
Capital assets being depreciated/amortized:				
Buildings	52,420,524	2,421,366	66,594	54,775,296
Equipment (including software)	1,487,263	408,562	232,772	1,663,053
Lease assets	4,405,510	378,319	1,132,429	3,651,400
Gross balance capital assets	<u>58,313,297</u>	<u>3,208,247</u>	<u>1,431,795</u>	<u>60,089,749</u>
Less accumulated depreciation/amortization:				
Buildings	26,970,208	1,994,575	2,338	28,962,445
Equipment (including software)	952,333	225,400	39,685	1,138,048
Lease assets	1,646,423	22,234	1,108,872	559,785
Total accumulated depreciation/amortization	<u>29,568,964</u>	<u>2,242,209</u>	<u>1,150,895</u>	<u>30,660,278</u>
Net capital assets being depreciated/amortized	<u>28,744,333</u>	<u>966,038</u>	<u>280,900</u>	<u>29,429,471</u>
Total capital assets	<u>\$ 32,424,055</u>	<u>\$ 4,492,466</u>	<u>\$ 2,629,947</u>	<u>\$ 34,286,574</u>

The following is a summary of the amount of lease assets by major classes of underlying assets for the Fiscal Years ended June 30, 2024 and 2023.

	<u>Lease Asset</u> <u>2024</u> <u>(in thousands)</u>	<u>Lease Asset</u> <u>2023</u> <u>(in thousands)</u>
<b>Lease Asset:</b>		
Lease land	\$ 4,539	\$ 4,539
Less accumulated amortization	1,147	744
Lease land, net	<u>3,392</u>	<u>3,795</u>
Lease building	3,886,947	3,639,382
Less accumulated amortization	847,550	555,846
Lease buildings, net	<u>3,039,397</u>	<u>3,083,536</u>
Lease equipment	3,004	3,004
Less accumulated amortization	3,004	2,494
Lease equipment, net	<u>-</u>	<u>510</u>
Lease infrastructure	4,474	4,474
Less accumulated amortization	1,091	700
Lease infrastructure, net	<u>3,383</u>	<u>3,774</u>
Total lease asset	<u>\$ 3,046,172</u>	<u>\$ 3,091,615</u>

**New York City School Construction Authority (SCA)** - In December 1988, the State of New York Legislation created the School Construction Authority (“SCA”) to design, construct, reconstruct, improve, rehabilitate and repair the New York City public schools. All costs incurred are capitalized into construction-in-progress. SCA is governed by a three-member Board of Trustees, all of whom are appointed by the mayor, including The City’s Department of Education (“DOE”) Chancellor, who serves as the Chairperson. As SCA is a pass-through entity, in existence for the sole purpose of constructing capital projects, all costs incurred are capitalized by the DOE and recorded as construction-in-progress. Upon completion of projects, the assets are transferred to DOE and recorded to the appropriate capital asset category.

SCA’s operations are funded by appropriations made by The City. Such appropriations are based on five-year capital plans developed by the DOE. The City’s appropriations for the five-year capital plan for the Fiscal Years 2020 through 2024 totaled \$17.72 billion.

For Fiscal Year 2024 and 2023, the SCA transferred to the DOE the costs associated with construction work in progress and administrative costs totaling \$2.1 billion and \$2.2 billion, respectively, as building capital assets. This transfer represents a reduction in the construction work in progress asset classification and an increase to the building asset classification. During Fiscal Year 2024 and 2023, the DOE also increased its construction in progress balance by \$3.9 billion and \$3.5 billion, respectively for new capital project costs incurred by the SCA on behalf of the DOE for projects which have not yet been completed.

#### D. Lease Commitments

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. The DOE leases and subleases a significant amount of nonfinancial assets such as land, buildings, equipment, and infrastructure. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. The lease liability and the associated lease assets are recognized on the statement of net position for the DOE's leasing agreements as the lessee.

The DOE has a variety of variable payment clauses, within its lease arrangements, which include payments dependent on indexes and rates, including variable payments based on future performance and usage of the underlying asset. As required by GASB 87 these costs were excluded from both the calculation of the lease liabilities and leased asset values. However, components of variable payments that are fixed in substance, are included in the measurement of the lease liability presented in the table below and leased asset values presented in Note 3C Capital Assets.

The DOE did not incur any costs related to variable payments, impairments, termination penalties and/or residual value guarantees during fiscal year 2024. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of June 30, 2024, the DOE had minimum principal and interest payment requirements for its leasing activities, including its subleasing activities, with a remaining term in excess of one year, as follows (in thousands):

	<b>Liability Beginning Balance</b>	<b>Total Principal</b>	<b>Total Interest</b>	<b>Total Payment</b>	<b>Liability Ending Balance</b>
Fiscal year ending June 30:					
2025	\$ 3,207,196	\$ 238,031	\$ 85,090	\$ 323,121	\$ 2,969,165
2026	2,969,165	229,028	78,754	307,782	2,740,137
2027	2,740,137	221,537	72,682	294,219	2,518,600
2028	2,518,600	216,922	66,707	283,629	2,301,678
2029	2,301,678	213,574	60,796	274,370	2,088,104
2030-2034	2,088,104	1,010,468	218,366	1,228,834	1,077,636
2035-2039	1,077,636	595,210	106,192	701,402	482,426
2040-2044	482,426	203,599	54,044	257,643	278,827
2045-2049	278,827	117,774	32,941	150,715	161,053
2050-2054	161,053	64,584	18,819	83,403	96,469
2055-2059	96,469	46,198	10,690	56,888	50,271
2060-2064	50,271	36,085	4,947	41,032	14,186
2065-2069	14,186	10,752	759	11,511	3,434
2070-2074	3,434	281	495	776	3,153
2075-2079	3,153	326	449	775	2,827
2080-2084	2,827	379	397	776	2,448
2085-2089	2,448	440	336	776	2,008
2090-2094	2,008	511	264	775	1,497
2095-2099	1,497	593	182	775	904
2100-2104	904	689	86	775	215
2105-2109	215	215	5	220	-
		<u>\$ 3,207,196</u>			
Lease liability:		<u>\$ 3,207,196</u>			

As of June 30, 2024, the DOE had no leasing or subleasing agreements of Department owned or managed assets with third parties, related parties, or other governmental agencies, in excess of one year.

## E. Pollution Remediation Obligations

The Pollution Remediation Obligations (“PRO”) as of June 30, 2024 and 2023, summarized by obligating event and pollution type, respectively, were as follows (in thousands):

Obligating Event	2024		2023	
	Amount	Percentage	Amount	Percentage
Voluntary commencement	\$ 97,858	100.00	\$ 108,138	100.00
Total	\$ 97,858	100.00	\$ 108,138	100.00
Pollution Type	Amount	Percentage	Amount	Percentage
Asbestos removal	\$ 90,503	92.00	\$ 101,217	94.00
Lead paint removal	1,543	2.00	1,877	2.00
Soil remediation	2,894	3.00	1,161	1.00
Other	2,918	3.00	3,883	3.00
Total	\$ 97,858	100.00	\$ 108,138	100.00

SCA has reported and identified pollution remediation obligations, such as asbestos removal, lead paint removal, soil contamination remediation, mold remediation and transportation and disposal of hazardous waste and materials, are for some of the work performed at New York City Public Schools. Such costs are associated with capital assets of the DOE and, accordingly, are recorded in the DOE’s financial statements.

The PRO liability is derived from registered multi-year contracts which offsets cumulative expenditures (liquidated/unliquidated) against original encumbered contractual amounts. The potential for changes to existing PRO estimates is recognized due to such factors as: additional remediation work arising during the remediation of an existing pollution project; remediation activities may find unanticipated site conditions resulting in necessary modifications to work plans; changes in methodology during the course of a project may cause cost estimates to change, e.g., the new ambient air quality standard for lead considered a drastic change will trigger the adoption of new/revised technologies for compliance purposes; and changes in the quantity which is paid based on actual field measured quantity for unit price items measured in cubic meters, linear meters. Consequently, changes to original estimates are processed as change orders.

## F. Long-Term Liabilities

Long-term liabilities include capital leases entered into by the DOE, pension, OPEB, and the DOE’s portion of various other long-term liabilities, payment for which The City is responsible. Funding for these allocated liabilities will be provided through future appropriations of The City.

Changes in the various components of the DOE’s long-term liabilities for the Fiscal Years ended June 30, 2024 and 2023 were as follows (in thousands):

	<b>Balance June 30, 2023</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2024</b>	<b>Due Within One Year</b>
Pollution remediation	\$ 108,138	\$ 109,579	\$ 119,859	\$ 97,858	\$ 88,072
Accrued vacation and sick leave	3,133,967	897,392	639,089	3,392,270	639,089
Lease liability	3,195,846	247,564	236,214	3,207,196	238,031
Accrued judgments and claims	449,547	164,306	142,330	471,523	118,552
Net pension liability	13,091,482	4,762,044	5,856,565	11,996,961	-
Net OPEB liability	<u>31,652,929</u>	<u>3,203,747</u>	<u>2,266,510</u>	<u>32,590,166</u>	<u>-</u>
Total	<u>\$ 51,631,909</u>	<u>\$ 9,384,632</u>	<u>\$ 9,260,567</u>	<u>\$ 51,755,974</u>	<u>\$ 1,083,744</u>

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2023</b>	<b>Due Within One Year</b>
Pollution remediation	\$ 93,865	\$ 123,336	\$ 109,063	\$ 108,138	\$ 97,324
Accrued vacation and sick leave	3,185,515	602,894	654,442	3,133,967	654,442
Lease liability	3,051,586	369,200	224,940	3,195,846	228,792
Accrued judgments and claims	382,078	164,306	96,837	449,547	119,565
Net pension liability	14,166,295	3,642,920	4,717,733	13,091,482	-
Net OPEB liability	<u>29,427,659</u>	<u>3,838,222</u>	<u>1,612,952</u>	<u>31,652,929</u>	<u>-</u>
Total	<u>\$ 50,306,998</u>	<u>\$ 8,740,878</u>	<u>\$ 7,415,967</u>	<u>\$ 51,631,909</u>	<u>\$ 1,100,123</u>

#### 4. Other Information

##### A. Non-Public Schools and Fashion Institute of Technology

Expenditures for non-public elementary and secondary schools located within The City, special education pre-school tuition, related services and transportation, and the Fashion Institute of Technology (“FIT”) are reflected under the financial statement caption non-public schools. Expenditures for non-public elementary and secondary schools are related primarily to textbook purchases, transportation, and school lunch programs that are funded, in part, by federal and state aid.

FIT receives, through appropriations provided by The City, a grant from the DOE to partially subsidize its operations. The amounts paid to FIT in Fiscal Years 2024 and 2023 were \$83.2 million and \$69.9 million, respectively.

## **B. New York City School Support Service (“NYCSSS”)**

NYCSSS is a Type C not-for-profit corporation organized under the Not-for-Profit Corporation Law of the State of New York and is governed by a Board of Directors consisting of five members, two of whom serve ex-officio, i.e., NYC Department of Education’s Chief Operating Officer and NYC Office of Management and Budget’s Associate Budget Director for Education and City University of New York (“CUNY”). NYCSSS was incorporated for the purpose of providing staffing of custodial helpers for the DOE. NYCSSS’ initial contract with The City was registered on April 28, 2016. The original contract, which terminated on June 30, 2020, was renewed and extended through June 30, 2028, with the option to renew for two additional periods of one year. Under this contract, NYCSSS receives monthly payments that cover its projected expenses for the forthcoming month, and these contractual payments are NYCSSS’ sole source of revenue.

## **C. Other Post-Employment Benefits (“OPEB”)**

The DOE participates in The City’s OPEB plan. The OPEB Plan is a fiduciary component unit of The City and is composed of: (1) the New York City Retiree Health Benefits Trust (“RHBT”) which is used to receive, hold, and disburse assets accumulated to pay for some of the OPEB provided by The City to its retired employees, and (2) OPEB paid for directly by The City out of its general resources rather than through RHBT. RHBT was established for the exclusive benefit of The City’s retired employees and their eligible spouses and dependents, to fund some of the OPEB provided in accordance with The City’s various collective bargaining agreements and The City’s Administrative Code. Amounts contributed to RHBT by The City are held in an irrevocable trust and may not be used for any other purpose than to fund the costs of health and welfare benefits of its eligible participants. Consequently, the OPEB Plan is presented as an Other Employee Benefit Trust Fund in The City’s financial statements.

**Program Description** - OPEB provided to eligible retirees of The City and their eligible beneficiaries and dependents (hereafter referred to collectively as “Retiree Participants”) include health insurance, Medicare Part B Premium reimbursements, and welfare fund contributions. OPEB are funded by the OPEB Plan, a single employer plan.

**Annual OPEB Cost and Net OPEB Obligations** - The City’s annual OPEB cost (expense) is calculated based on the Entry Age Normal Cost Method of the employer, an amount that is actuarially determined by using the Entry Age Actuarial Cost Method.

### **Changes in Net OPEB Liability**

The Office of the New York City Actuary (“OA”) prepares a DOE specific OPEB Report in accordance with GASB 74 and 75. This report presents the DOE’s proportionate share of The City’s OPEB liability and deferred outflows and inflows from OPEB. The OA identifies DOE’s active, terminated vested, and retired members, and their liabilities in the OA’s valuation program. These liabilities are then used to calculate the total OPEB liability, expense, and deferred inflows and outflows from OPEB. The methodologies and calculations used by the DOE to determine its overall OPEB liabilities and related balances are consistent with the practices and processes of The City’s overall OPEB obligation calculation.

The following schedule presents DOE's proportionate share of the net OPEB liability for the Fiscal Years ended June 30, (in thousands):

	<u>2024</u>	<u>2023</u>
<b>Beginning balance at June 30,</b>	\$ 31,652,929	\$ 29,427,659
<b>Changes for the year:</b>		
Service cost	1,312,505	1,273,035
Interest	1,387,041	1,286,672
Difference between expected and actual experience	(629,981)	107,229
Change of assumption	(43,511)	597,519
Contribution - employer	(1,015,352)	(989,099)
Net investment income	(73,540)	(50,162)
Administrative expenses	18	18
Other changes	<u>57</u>	<u>58</u>
<b>Net changes</b>	<u>937,237</u>	<u>2,225,270</u>
<b>Net ending balance at June 30,</b>	<u>\$ 32,590,166</u>	<u>\$ 31,652,929</u>
<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>		
a. 1% Decrease	\$ 37,527,748	
b. 1% Increase	\$ 28,547,053	
<b>Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate</b>		
a. 1% Decrease	\$ 27,443,883	
b. 1% Increase	\$ 39,203,166	

DOE's proportionate share of OPEB deferred outflows of resources and deferred inflows of resources for the Fiscal Years ended June 30, were as follows (in thousands):

	<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 721,492	\$ 1,969,677
Changes in assumptions	1,197,128	6,232,186
Net difference between projected and actual earning on OPEB Plan Investments	<u>30,115</u>	<u>23,091</u>
<b>Total</b>	<u>\$ 1,948,735</u>	<u>\$ 8,224,954</u>



	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,432,440	\$ 1,951,732
Changes in assumptions	1,713,568	8,066,734
Net difference between projected and actual earning on OPEB Plan Investments	<u>53,886</u>	<u>199</u>
Total	<u>\$ 3,199,894</u>	<u>\$ 10,018,665</u>

The schedule of changes in the net OPEB liability are shown in the Required Supplementary Information (RSI) section immediately following the notes to financial statements, which present GASB Statement No. 75 results of OPEB valuations for Fiscal Years 2024 and 2023.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

2025	\$ (1,505,582)
2026	(1,683,874)
2027	(1,545,257)
2028	(1,455,373)
2029	3,598
Thereafter	(89,731)

As noted previously, the DOE participates in The City's OPEB plan. The following information relates to The City's OPEB plan as a whole unless noted otherwise.

**Funding Progress** - Actuarial valuations of an ongoing plan involve estimates of the value of reported and future amounts based on assumptions about the probability of the severity and occurrence of events far into the future.

**Actuarial Methods and Assumptions** - The actuarial assumptions used in the Fiscal Years 2023 and 2022 OPEB valuations are a combination of those used in the New York City Retirement Systems (NYCRS) pension valuations and those specific to the OPEB valuations. NYCRS consist of: (i) New York City Employees' Retirement System (NYCERS); (ii) New York City Teachers' Retirement System of The City of New York (TRS); (iii) New York City Board of Education Retirement System (BERS); (iv) New York City Police Pension Fund (POLICE); and (v) New York City Fire Pension Fund (FIRE). The OPEB valuations incorporate only the use of certain NYCRS demographic and economic assumptions. The assumptions used in the Fiscal Year 2023 OPEB valuation have not changed from the prior valuation, with the exception of the discount rate, the pre-Medicare trend rate assumption and the stabilization fund load as described later in this section.

The OPEB-specific actuarial assumptions used in the Fiscal Year 2024 OPEB valuation of the Plan areas follows:

Valuation Date ..... June 30, 2023

Measurement Date ..... June 30, 2024

Discount Rate ..... Results as of the June 30, 2024 Measurement Date are presented at 4.21 percent for benefits provided by The City and for benefits provided by Component Units. Results as of the June 30, 2023 Measurement Date are presented at 4.13 percent for benefits provided by The City and for benefits provided by Component Units.

For Fiscal Year 2023 and 2024, the Municipal Bond 20-year Index Rate was used as the discount rate. The rate was not blended with the long-term expected rate of return because the expected return on assets assumption was lower than the Municipal Bond 20-year Index Rate.

Results for the OPEB plans for Component Units for both FY 2023 and FY 2024 are presented using a discount rate equal to the Municipal Bond 20-year Index Rate, since there is no pre-funding assumed for these plans.

Long Term Expected

Rate of Return ..... 4.0 percent net of investment expenses, which includes an inflation rate of 2.50 percent.

Actuarial Cost Method... Entry Age Normal cost method, level percent of pay calculated on an individual basis.

Per-Capita Claims Costs GHI plans are insured via a Minimum Premium arrangement while the HIP and many of the Other HMOs are community rated. Costs reflect age-adjusted premiums for all plans.

Initial monthly premium rates used in the FY 2024 and FY 2023 valuation are shown below:

<b>Plan</b>	<b>Monthly Costs @ Average Age</b>	
	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2023</b>
HIP HMO		
Non-Medicare Single	\$ 927.13	\$ 871.42
Non-Medicare Family	2,271.46	2,134.99
Medicare	209.40	199.62
GHI/EBCBS		
Non-Medicare Single	998.60	917.92
Non-Medicare Family	2620.46	2,409.11
Medicare	208.60	201.59
Other HMOs (i)		
Non-Medicare Single	1403.21	1,302.87
Non-Medicare Family	3804.02	3,567.29
Medicare Single	328.69	311.73
Medicare Family	657.70	620.28

- i. Other HMO premiums represent the weighted average of the total premiums for medical (not prescription drug) coverage, including retiree contributions, of the HMO plans (other than HIP) based on actual enrollment.

Additionally, the individual monthly rates at age 65 used in the valuation are shown below:

<u>Plan</u>	<u>Monthly Costs @ Average Age 65</u>	
	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
HIPHMO		
Non-Medicare	\$ 1,961.99	\$ 1,844.10
Medicare	209.40	199.62
GHI/EBCBS		
Non-Medicare	2,142.97	1,970.02
Medicare	198.54	192.11
Other HMOs	Varies by system	

The normative database used to adjust premium values to age 65 per capita cost is unchanged from the prior valuation.

Claims data was generally not provided to the OA for the HIP coverage or for Other HMOs. OLR provided a copy of the claims component of the FY 2024 GHI/EBCBS renewals. For the non-Medicare participants, retiree claims were not separated from active claims. The claims information provided was compared to the premium rates provided.

For the HIP premium rate the Fiscal FY2024 valuation assumed the prior year's rate of \$199.62 with trend given the most recent renewal reflected the potential MA plan implementation, which is no longer being implemented.

Based on information provided by OLR, estimates of margins that had been included in the premiums but expected to be refunded were removed from both the GHI and EBCBS non-Medicare and Medicare premiums before age adjustment.

A retiree who elects Basic Coverage other than the benchmark HIP and GHI/EBCBS plans is required to contribute the full difference in cost. The OA confirmed, based on data provided by OLR, that net employer premiums were consistent with the benchmark rates and stated policy regarding other coverage.

In valuing future retirees, the various monthly premium rates for Other HMOs were blended by proportion of enrollment.

Welfare Funds.....The Welfare Fund contribution reported as of the measurement date, June 30, 2024, (including any reported retroactive amounts) was trended back to the valuation date, June 30, 2023, using the Welfare trend assumption and used as the per capita cost for valuation purposes.

Reported annual contribution amounts for the FY 2022 to FY 2024 are shown in the Fiscal Year 2024 GASB 74/75 report in Section V, Tables V-b to V-f. Welfare Fund rates are based on actual reported Union Welfare Fund code for current retirees. Weighted average annual contribution rates used for future retirees, based on Welfare Fund enrollment of recent retirees, are shown in the following table.

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
NYCERS	\$ 1,729	\$ 1867
TRS	1,611	1,763
BERS	1,786	1,906

Medicare Part B Premiums.....

<u>Calendar Year</u>	<u>Month Premium</u>
2019	134.43
2020	143.21
2021	146.97
2022	167.82
2023	164.90
2024	174.70

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2024.

When Social Security cost-of-living adjustments are limited, some Medicare Part B participants are not charged the Medicare Part B premium originally projected or ultimately announced for those years due to the hold-harmless provision. Due to recent increases in Social Security cost-of-living adjustments, the portion of Medicare Part B participants protected by the hold-harmless provision decreased from 3.5 percent in 2022 to 1.5 percent in 2023.

For Calendar Year 2023 and 2024, no participants were assumed to be protected by the hold-harmless provision and the monthly premium was set equal to the Calendar year 2023 and 2024 announced amounts.

For the FY 2024 OPEB valuation the annual premium used was \$2,037.60, which is equal to 12 times an average of the Calendar year 2023 and 2024 monthly premiums above.

An additional 11.4 percent load is added to the base Medicare Part B Premium amounts each year to account for the income-related Medicare Part B premiums for high income individuals. This assumption is unchanged from the prior valuation.

Medicare Part B Premium

Reimbursement Assumption.....90 percent of Medicare participants are assumed to claim reimbursement; based on historical data.

Health Care Cost Trend Rate  
 (“HCCTR”)

<u>Year Ending</u>	<u>Pre-Medicare Plans</u>	<u>Medicare Plans Costs</u>		<u>Medicare Part B Premium</u>		<u>Welfare Fund Contributions</u>
		<u>FY23</u>	<u>FY24</u>	<u>FY23</u>	<u>FY24</u>	
2024	7.00%	4.80%	5.00%	5.00%	6.20%	3.50%
2025	7.00%	4.70%	5.00%	5.00%	6.20%	3.50%
2026	6.75%	4.70%	4.90%	5.00%	6.20%	3.50%
2027	6.50%	4.60%	4.90%	5.00%	6.10%	3.50%
2028	6.25%	4.60%	4.80%	5.00%	6.10%	3.50%
2029	6.00%	4.50%	4.80%	5.00%	6.00%	3.50%
2030	5.75%	4.50%	4.70%	5.00%	5.75%	3.50%
2031	5.50%	4.50%	4.70%	5.00%	5.50%	3.50%
2032	5.25%	4.50%	4.60%	5.00%	5.25%	3.50%
2033	5.00%	4.50%	4.60%	5.00%	5.00%	3.50%
2034	4.74%	4.50%	4.50%	5.00%	4.75%	3.50%
2035 and later	4.50%	4.50%	4.50%	5.00%	4.50%	3.50%

<sup>(1)</sup> The Medicare and Part B trend rates have been updated for the FY2024 valuation

The pre-Medicare and Medicare plan trends were developed using health trend information from various sources, including City premium trend experience for HIP HMO and GHI/EBCBS, public sector benchmark survey for other large plan sponsors, the Medicare Trustees’ Report, and the Society of Actuaries’ Getzen model.

In recent years Medicare Part B premium increases have averaged between 4 percent and 6 percent, ignoring the impact of the hold harmless provision. These increases can be attributable to factors such as the increasing prices of health care services, high cost of new technologies, and increasing utilization. The Medicare trustees project the Part B premium to increase 5.9 percent for 2025, beyond that point they expect the increases to average 6.2 percent out to 2033. The updated Part B trend assumption reflects the higher expected increases in the short term, then grades down to an ultimate of 4.50 percent in 2035 and after, a pattern consistent with the Medicare trustees’ projections.

Historical negotiated increase rates for the larger Welfare Funds have averaged below 2 percent in recent years, which is lower than the anticipated trend on the underlying costs of benefits provided by these funds. However, the City periodically makes one-time lump sum contributions to the Welfare Funds. For these reasons the Welfare Fund contribution trend was assumed to be 3.5 percent.

Age- and Gender-Related

Morbidity ..... The premiums are age and gender adjusted for GHI/EBCBS, HIP, and Other HMOs. The assumed relative costs of coverage are consistent with information presented in the 2013 study *Health Care Costs—From Birth to Death*, sponsored by the Society of Actuaries

For non-Medicare costs, a sample of factors used is:

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.170	0.225	45	0.355	0.495
25	0.146	0.301	50	0.463	0.576
30	0.181	0.428	55	0.608	0.671
35	0.227	0.466	60	0.783	0.783
40	0.286	0.467	64	0.957	0.917

Children costs, assumed a factor of 0.229.

Medicare costs prior to age 65 assume an additional disability- related morbidity factor. A sample of factors used is:

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
20	0.323	0.422	60	1.493	1.470
25	0.278	0.565	65	0.919	0.867
30	0.346	0.804	70	0.946	0.885
35	0.432	0.876	75	1.032	0.953
40	0.545	0.878	80	1.122	1.029
45	0.676	0.929	85	1.217	1.116
50	0.883	1.082	90	1.287	1.169
55	1.159	1.260	95	1.304	1.113
			99 +	1.281	0.978

The age adjustment for the non-Medicare GHI/EBCBS premium reflects a reduction for the estimated margin anticipated to be returned of 4.0 percent and 2.0 percent in the GHI and EBCBS portion of the monthly premium, respectively. Similarly, the age adjustment for the Medicare GHI/EBCBS premium reflects a reduction for the estimated margin anticipated to be returned of 4.0 percent and 2.0 percent in the GHI and ECBS portion of the monthly premium, respectively.

The non-Medicare GHI portion is \$467.58 out of \$998.60 for single coverage, and \$1,239.79 out of \$2,620.46 for family coverage for FY 2024 rates. The Non-Medicare EBCBS portion is the remainder of the premiums. The Medicare GHI portion is \$111.59 out of the \$208.60 for FY 2024 rates. The EBCBS portion is the remainder of the premium.

Participation Rates ..... Plan participation assumptions remain unchanged from the prior valuation and are in line with recent experience.

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age 65 based on election patterns of Medicare-eligible retirees.

For current retirees who appear to be eligible for health coverage but have not made an election (i.e., non-filers), the valuation reflects single GHI/EBCBS coverage and Part B premium benefits only, to approximate the obligation if these individuals were to file for coverage. For future retirees, the portion assumed not to file for future benefits and is valued similarly to current retirees, are as follows.

<u>NYCERS Group</u>	<u>Fiscal Year 2024</u>
NYCERS	13%
TRS	13%
BERS	15%

This non-filer group also includes some participants who do not qualify for coverage because they were working less than 20 hours a week at termination.

Detailed assumptions for future Program retirees are presented below:

**PLAN PARTICIPATION ASSUMPTIONS**

**Benefits**

<u>Pre-Medicare</u>	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>
GHI/EBCBS	75%	83%	70%
HIP HMO	18	6	16
Other HMO	2	1	2
Waiver	5	10	12
<b><u>Medicare</u></b>			
GHI	75	89	80
HIP HMO	16	5	13
Other HMO	5	2	2
Waiver	4	4	5
<b><u>Post-Medicare Migration</u></b>			
HIP HMO to GHI	-	20	20
HIP HMO to Other HMO	10	-	-
<b><u>Pre-Med. Waiver</u></b>			
To GHI @ 65	-	50	60
To HIP @ 65	-	10	-
To Other HMO @ 65	20	-	-

Dependent Coverage ..... Non-contributory Basic Medical Coverage and Part B premium reimbursement for dependents are assumed to terminate when a retiree dies, except for Line of Duty beneficiaries. Certain other survivors of POLICE, FIRE, and uniformed members of the Departments of Correction and Sanitation are eligible for a lifetime COBRA continuation benefit. These individuals contribute 102 percent of the premium but the valuation includes an additional estimated cost above the value of their COBRA contribution because COBRA participants typically utilize services at a much higher rate than active participants. The valuation assumes that 30 percent of eligible spouses will elect the lifetime continuation benefit.

Dependents . . . . . Spousal Age Difference

Male retirees were assumed to be four years older than their wives, and female retirees were assumed to be two years younger than their husbands. This assumption is unchanged from the prior valuation.

Child Dependents

Child dependents of current retirees are assumed to receive coverage up to age 26.

Children are assumed to be covered after retirement for the number of years shown below. This assumption is unchanged from the prior valuation.

<u>NYCRS Group</u>	<u>FY 2024</u>
NYCERS	8 years
TRS	7 years
BERS	7 years

Dependent allocation assumptions are shown below and remain unchanged from the prior valuation.

**Dependent Coverage Assumptions**

<u>Group</u>	<u>NYCERS</u>	<u>TRS</u>	<u>BERS</u>
<b><u>Male</u></b>			
Single coverage	35%	45%	44%
Spouse	35	30	40
Child/no spouse	8	5	4
Spouse and child	22	20	12
	<u>100%</u>	<u>100%</u>	<u>100%</u>
<b><u>Female</u></b>			
Single coverage	67%	57%	60%
Spouse	22	30	35
Child/no spouse	7	5	2.5
Spouse and child	4	8	2.5
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>



Note: For Line-of-duty, 97 percent are assumed to have single coverage in Fiscal Year 2024.

Demographic Assumption ..... The actuarial assumptions used in the FY 2024 OPEB valuation are a combination of the demographic assumptions used in the NYCRS pension actuarial valuations and certain OPEB-specific assumptions, as detailed below

**NYCRS**

The NYCRS’ demographic assumptions (e.g., mortality, withdrawal, retirement and disability rates) and salary scale are the same as those used in the NYCRS pension actuarial valuations and are unchanged from the prior valuation.

COBRA Benefits ..... Employees and beneficiaries who enroll in COBRA coverage contribute 102 percent of the premium but the valuation includes an additional estimated cost above the value of their COBRA contribution because COBRA participants typically utilize services at a much higher rate than active participants.

The valuation assumes 15 percent of employees not eligible for OPEB elect COBRA coverage for 15 months based on experience of other large employers. A lump-sum COBRA cost of \$1,700 was assumed for terminations during FY 2024. This amount is increased by the Pre-Medicare HCCTR for future years but is not adjusted for age-related morbidity.

**Actives Off Payroll**

(AOP) Liabilities ..... Active members off payroll on a known short-term leave of absence are treated as actives, and the remaining members are included as inactive members entitled to but not yet receiving benefits if they have met the OPEB vesting requirements. Otherwise, they are not included in the valuation. This method is unchanged from the prior valuation.

Stabilization Fund ..... A 0.6 percent load applied to the City’s obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund, which is unchanged from the FY 2023 OPEB valuation. The load is not applicable to Component Units. This load is based on a historical average allocation between active and retired participants. The allocation takes into consideration retirees on average are older and have costlier medical benefits than actives, and also separates out Welfare Fund contribution reimbursements from other Stabilization Fund benefit.

Also, since Welfare Fund contributions reimbursed by the Stabilization Fund are considered a part of Welfare Fund benefits, they are not included in the determination of this load.

The separate annual financial statements of the OPEB Plan are available at the Office of the Comptroller, Bureau of Accountancy - Room 200 South, 1 Centre Street, New York, New York 10007, or on the website of the Comptroller.

**D. Pensions**

**Plan Description** - On behalf of the DOE, The City sponsors or participates in pension trusts providing benefits to its employees. Each of the trusts administers a qualified pension plan (“QPP”) and tax-deferred annuity programs (“TDA Programs”). The TDA Programs supplement the pension benefits provided by the QPP. The QPPs combine features of defined benefit pension plans with those of defined contribution pension plans. The QPP plan are considered defined benefit plans for financial reporting

purposes. The TDA Programs are considered defined contribution plans for financial reporting purposes. A brief description of each of the NYCTRS' and BERS' contributions to the TDA program are made on a voluntary basis by certain members of the QPP. TDA Members who elect to participate in a fixed return fund investment program accounts are credited with the statutory annual rate of interest, currently 7 percent for members represented by the United Federation of Teachers and 8.25 percent for all other members. Members can also elect to participate in a variable return fund program.

The majority of the DOE's employees are members of one of the following two major pension systems:

1. New York City Teachers' Retirement System of The City of New York ("TRS") administers the TRS QPP and the TRS TDA Program. The TRS QPP is a cost-sharing, multiple-employer pension plan for pedagogical employees in the public schools of The City and certain Charter Schools and certain other specified school and CUNY employees. The TRS TDA Program was established and is administered pursuant to Internal Revenue Code Section 403(b) and Chapter 4 of Title 13 of ACNY. The TRS TDA Program provides a means of deferring income tax payments on members' voluntary pre-tax contributions and earnings thereon until the periods after retirement or upon withdrawal of contributions. Members of the TRS QPP have the option to participate in the TRS TDA Program.
2. New York City BERS administers the BERS QPP and the BERS TDA Program. The BERS QPP is a cost-sharing, multiple-employer pension plan for non-pedagogical employees of the Department of Education and certain Charter Schools and certain employees of the School Construction Authority. The BERS TDA Program was established and is administered pursuant to Internal Revenue Code Section 403(b), the New York State Education law and the BERS rules and regulations. The BERS TDA Program provides a means of deferring income tax payments on members' voluntary pre-tax contributions and earnings thereon until the periods after retirement or upon withdrawal of contributions. Members of the BERS QPP have the option to participate in the BERS TDA Program.

TRS and BERS publish separate annual financial statements that may be obtained from the Office of the Comptroller, Bureau of Accountancy, Pension Accounting Division - Room 200 South, 1 Centre Street, New York, New York 10007 and at their websites.

**Qualified Pension Plan Programs** - Statutory contributions for the TRS and BERS, determined by the Actuary in accordance with State statutes and City laws, are generally funded by the employers within the appropriate Fiscal Year. The statutory contributions are determined under the One-Year Lag Methodology ("OYLM"). Under OYLM, the actuarial valuation date is used for calculating the employer contributions for the second following Fiscal Year. For example, the June 30, 2022 actuarial valuation was used for determining the Fiscal Year 2024 Actuarial Contributions. Statutory contributions are determined annually to be an amount that, together with member contributions and investment income, provides for QPP assets to be sufficient to pay benefits when due.

The aggregate statutory contributions due to each QPP from participating employers for Fiscal Years 2024 and 2023 and the amount of The City’s contribution to each QPP for such Fiscal Years are as follows (in millions):

<b>Annual Pension Costs</b>	<b>Aggregate Statutory Contribution 2024</b>	<b>Aggregate Statutory Contribution 2023</b>
TRS	\$ 3,162	\$ 3,086
BERS	<u>248</u>	<u>234</u>
Total	<u>\$ 3,410</u>	<u>\$ 3,320</u>

Member contributions are established by law and vary by QPP. In general, Tier I and Tier II member contribution rates are dependent upon the employee’s age at membership and retirement plan election. In general, Tier III and Tier IV members make basic contributions of 3.0 percent of salary regardless of age at membership. Effective October 1, 2000, in accordance with Chapter 126 of the Laws of 2000, these members are not required to make basic contributions after the tenth anniversary of their membership date or completion of ten years of credited service, whichever is earlier. Effective December 2000, certain Tier III and Tier IV members make basic member contributions of 2.0 percent of salary in accordance with Chapter 10 of the Laws of 2000. Certain members of the TRS QPP and BERS QPP also make additional member contributions. Tier VI members contribute 3.0 percent and 6.0 percent of salary, depending on salary level.

**Tax-deferred Annuity Programs** - Benefits provided under the TRS and BERS TDA Programs are derived from members’ accumulated contributions. A participant may withdraw all or part of the balance of his or her account at the time of retirement or termination of employment. Beginning January 1, 1989, the tax laws restricted withdrawals of tax-deferred annuity contributions and accumulated earnings thereon for reasons other than retirement or termination. Contributions made after December 31, 1988 and investment earnings credited after December 31, 1988 may only be withdrawn upon attainment of age 59-1/2 or for reasons of hardship (as defined by Internal Revenue Service regulations). Hardship withdrawals are limited to contributions only.

Contributions to the TDA Programs are made by the members only and are voluntary. Active members of the respective QPP are required to submit a salary reduction agreement and an enrollment request to make contributions. A participant may elect to exclude an amount (within the maximum allowed by the Internal Revenue Service) of his or her compensation from current taxable income by contributing it to the TDA Programs. This maximum is determined annually by the IRS for each calendar year. Additionally, members can elect either a fixed or variable investment program for investment of their contributions. No employer contributions are made to the TDA Programs.

**Changes in Net Pension Liability - TRS and BERS QPPs** - Net changes in the DOE's net pension liability for the TRS and BERS QPPs for the Fiscal Years ended June 30, 2024 and 2023 were as follows (in thousands):

	<b>TRS - Net Pension (Asset)</b>		<b>BERS - Net Pension (Asset)</b>	
	<b>Liability</b>		<b>Liability</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Balance at June 30</b>	\$ 13,021,094	\$ 14,046,596	\$ 70,388	\$ 119,699
Service cost	1,625,197	1,579,518	171,154	169,092
Interest	6,057,198	5,735,211	426,070	414,578
Change of benefit terms	222,258	-	20,991	-
Difference between expected and actual experience	2,030,824	148,346	509,851	(23,336)
Contribution - employer	(3,009,906)	(2,937,673)	(236,104)	(225,133)
Contribution - other employer	(54,154)	(54,945)	-	-
Contribution - employees	(315,745)	(278,408)	(53,900)	(48,016)
Net investment income	(10,022,391)	(7,467,150)	(827,862)	(651,738)
Payment of interest on TDA fixed funds	2,278,707	2,152,953	210,432	194,109
Administrative expenses	71,960	70,236	38,363	35,394
Other changes	(80,945)	69,135	(156,595)	85,504
<b>Net changes</b>	<b>(1,196,997)</b>	<b>(982,777)</b>	<b>102,400</b>	<b>(49,546)</b>
Subtotal at June 30	<u>11,824,097</u>	<u>13,063,819</u>	<u>172,788</u>	<u>70,153</u>
Change in proportionate share	<u>871</u>	<u>(42,725)</u>	<u>(795)</u>	<u>235</u>
<b>Net balance at June 30</b>	<b>\$ <u>11,824,968</u></b>	<b>\$ <u>13,021,094</u></b>	<b>\$ <u>171,993</u></b>	<b>\$ <u>70,388</u></b>

**DOE's Proportionate Share of the Net Pension Liability - TRS and BERS QPPs** - The following table presents the DOE's proportionate share of the net pension liability (in thousands):

	<b>June 30, 2024</b>		<b>June 30, 2023</b>	
	<b>TRS</b>	<b>BERS</b>	<b>TRS</b>	<b>BERS</b>
DOE's proportionate share of the net pension liability	95.2%	95.3%	95.2%	96.4%
DOE's proportionate share of the net pension liability	<u>\$ 11,824,968</u>	<u>\$ 171,993</u>	<u>\$ 13,021,094</u>	<u>\$ 70,388</u>

The DOE's proportion of the respective QPP's net pension liability was based on actual required contributions of each of the participating employers for the Fiscal Year.

Deferred inflows of resources by source reported by the DOE at June 30, 2024 and 2023 for each QPP were as follows (in thousands):

	2024		2023	
	TRS	BERS	TRS	BERS
Difference between expected and actual experience	\$ 867,357	\$ 33,440	\$ 1,369,701	\$ 52,859
Change of assumptions	349,100	254	489,101	47,513
Net difference between projected and actual earning on pension plan investment	3,176,278	292,095	141,182	63,633
Change in proportion and differences between employer contribution and proportion share of contribution	<u>(6,589)</u>	<u>271</u>	<u>(8,968)</u>	<u>784</u>
Deferred inflows of resources	<u>\$ 4,386,146</u>	<u>\$ 326,060</u>	<u>\$ 1,991,016</u>	<u>\$ 164,789</u>

Deferred outflows of resources by source reported by the DOE at June 30, 2024 and 2023 for each QPP were as follows (in thousands):

	2024		2023	
	TRS	BERS	TRS	BERS
Difference between expected and actual experience	\$ 1,851,533	\$ 419,042	\$ 156,037	\$ 40,605
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between employer contribution and proportionate share of contributions	<u>(107,168)</u>	<u>(1,401)</u>	<u>(145,440)</u>	<u>221</u>
Deferred outflows of resources	<u>\$ 1,744,365</u>	<u>\$ 417,641</u>	<u>\$ 10,597</u>	<u>\$ 40,826</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized as pension expenses as follows (in thousands):

Year ending June 30:	TRS	BERS
2025	\$ (2,270,009)	\$ (90,123)
2026	1,272,827	213,379
2027	(1,434,962)	(43,334)
2028	(844,076)	17,920
2029	283,116	-
Thereafter	<u>323,704</u>	<u>-</u>
Total	<u>\$ (2,669,400)</u>	<u>\$ 97,842</u>

**Pension Expense, Employer Contribution, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension** - The DOE's pension expense, employer contribution, deferred outflows, and deferred inflows related to pensions and net pension liabilities recognized by the DOE for the Fiscal Years ended June 30, 2024, and 2023 were as follows (in thousands):

	<b>2024</b>		
	<b>TRS</b>	<b>BERS</b>	<b>Total</b>
Net pension liability at June 30, 2023	\$ 13,021,094	\$ 70,388	\$ 13,091,482
Employer contribution	(3,009,905)	(236,105)	(3,246,010)
Other employer contribution	(54,154)	-	(54,154)
Pension expense	2,529,294	122,167	2,651,461
Deferred outflows of resources (net)	1,733,769	376,814	2,110,583
Deferred inflows from pension (net)	<u>(2,395,130)</u>	<u>(161,271)</u>	<u>(2,556,401)</u>
Net pension liability at June 30, 2024	<u>\$ 11,824,968</u>	<u>\$ 171,993</u>	<u>\$ 11,996,961</u>
	<b>2023</b>		
	<b>TRS</b>	<b>BERS</b>	<b>Total</b>
Net pension liability at June 30, 2022	\$ 14,046,596	\$ 119,699	\$ 14,166,295
Employer contribution	(2,937,673)	(225,133)	(3,162,806)
Other employer contribution	(54,946)	-	(54,946)
Pension expense	2,842,343	279,474	3,121,817
Deferred outflows of resources (net)	(1,390,283)	(109,698)	(1,499,981)
Deferred inflows from pension (net)	<u>515,057</u>	<u>6,046</u>	<u>521,103</u>
Net pension liability at June 30, 2023	<u>\$ 13,021,094</u>	<u>\$ 70,388</u>	<u>\$ 13,091,482</u>

## **E. Contingencies**

As explained in Note 1A, the DOE is fiscally dependent upon The City. Accordingly, the DOE's liability for loss contingencies is limited to the extent that spending authority has been appropriated by The City. Such liability, including but not limited to property damage, personal injury and grant disallowances, is assumed by and charged to budget appropriations of The City. A description of material contingencies follows:

### **1. Judgments and Claims**

The City is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. This litigation includes but is not limited to: actions commenced, and claims asserted against The City arising out of alleged constitutional violations; torts; breaches of contract; Workers' compensation, other violations of law; and condemnation proceedings.

The estimate of the liability for all judgments and claims related to DOE has been reported in the Department-wide statement of net position under current and noncurrent liabilities. The liability was estimated by using the probable exposure information provided by the New York City Law Department (Law Department), and supplemented by information provided by the Law Department with respect to certain large individual claims and proceedings. The recorded liability is The City's best estimate based on available information and application of the foregoing procedures.

## **2. Other Contingencies**

The DOE has no authority to issue debt obligations. The City issues all debt obligations necessary for educational purposes, principally capital projects. The State Finance Law provides that if The City should default on the payments of principal or interest on bonds or notes issued for school purposes, State aid for education must be withheld by the State and applied to cure such default.

## **3. Economic Factors and COVID-19**

The DOE has been awarded various federal funds to help respond to the pandemic and the resulting economic disruption. For the fiscal year ending June 30, 2024, the DOE recorded the following COVID-19 related revenue:

Elementary and Secondary School Emergency Relief Fund (ESSER):

- \$2 billion - American Rescue Plan Act (ARPA)

Other Federal Funds:

- \$210 million - American Rescue Plan Act - Fiscal Recovery Fund (ARPA - FRF)

State COVID Support:

- \$9.5 million - Healthcare Workers Bonus

ANNUAL FINANCIAL STATEMENTS  
Department of Education of The City of New York

For the Fiscal Years Ended June 30, 2024 and 2023

REQUIRED SUPPLEMENTARY INFORMATION



DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Schedule of the Net OPEB Liability as of June 30, 2024 and 2023 (Unaudited)  
(in thousands):

	<u>2024</u>	<u>2023</u>
<b>Total OPEB liability</b>		
Service cost	\$ 1,312,505	\$ 1,273,035
Interest	1,387,041	1,286,672
Differences between expected and actual Experience	(629,981)	107,229
Changes in assumptions	(43,511)	597,519
Benefit payments	(1,205,613)	(1,151,805)
<b>Net changes in total OPEB liability</b>	<b>\$ 820,441</b>	<b>\$ 2,112,650</b>
<b>Total OPEB liability - beginning</b>	<b>\$ 32,868,732</b>	<b>\$ 30,756,082</b>
<b>Total OPEB liability - ending</b>	<b>\$ 33,689,173</b>	<b>\$ 32,868,732</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 1,015,352	\$ 989,099
Net investment income	73,540	50,162
Benefit payments	(1,205,613)	(1,151,805)
Administrative expenses	(18)	(18)
Other changes	(57)	(58)
<b>Net changes in plan fiduciary net position</b>	<b>\$ (116,796)</b>	<b>\$ (112,620)</b>
<b>Plan fiduciary net position - beginning</b>	<b>\$ 1,215,803</b>	<b>\$ 1,328,423</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 1,099,007</b>	<b>\$ 1,215,803</b>
<b>Net OPEB liability</b>	<b>\$ 32,590,166</b>	<b>\$ 31,652,929</b>

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**Schedule of DOE’s Proportional Share of the Net Pension Liabilities of Cost-Sharing Multiple Employer Pension Plans as of June 30, 2024 and 2023 (Unaudited)  
(in thousands):**

	TRS		BERS	
	2024	2023	2024	2023
DOE’s proportion of the net pension liability	95.2%	95.2%	95.3%	96.4%
DOE’s proportionate share of the net pension liability	\$ 11,824,968	\$ 13,021,094	\$ 171,993	\$ 70,388
DOE’s covered-employee payroll	\$ 12,247,353	\$ 11,825,124	\$ 1,467,906	\$ 1,427,145
DOE’s proportionate share of the net pension liability as a percentage of its covered-employee payroll	101.4%	115.7%	12.3%	5.1%

## Schedule of DOE Contributions for TRS and BERS Pension Plans for Years Ended June 30

### REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

(in thousands)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>TRS</b>										
Contractually required contribution	\$ 3,055,957	\$ 2,982,559	\$ 3,200,858	\$ 3,035,550	\$ 3,487,379	\$ 3,593,742	\$ 3,779,638	\$ 3,795,657	\$ 3,594,301	\$ 3,180,865
Contributions in relation to the contractually required contribution	3,055,957	2,982,559	3,200,858	3,035,550	3,487,379	3,593,742	3,779,638	3,795,657	3,594,301	3,180,865
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 11,807,476	\$ 11,444,231	\$ 11,118,967	\$ 10,863,830	\$ 10,572,449	\$ 10,107,561	\$ 8,961,509	\$ 8,612,809	\$ 8,039,326	\$ 7,869,774
Contributions as a percentage of covered-employee payroll	25.88%	26.06%	28.79%	27.94%	32.99%	35.56%	42.18%	44.07%	44.71%	40.42%
<b>BERS</b>										
Contractually required contribution	\$ 247,633	\$ 233,452	\$ 262,279	\$ 182,855	\$ 257,367	\$ 269,594	\$ 318,540	\$ 288,116	\$ 265,497	\$ 258,055
Contributions in relation to the contractually required contribution	247,633	233,452	262,279	182,855	257,367	269,594	318,540	288,116	265,497	258,055
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,467,504	\$ 1,426,694	\$ 1,483,750	\$ 1,476,030	\$ 1,352,676	\$ 1,263,450	\$ 1,101,553	\$ 1,051,567	\$ 1,007,499	\$ 1,016,277
Contributions as a percentage of covered-employee payroll	16.87%	16.36%	17.68%	12.39%	19.03%	21.34%	28.92%	27.40%	26.35%	25.39%

**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued**

The above actuarially determined and contractually required contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the employer contribution for the second following fiscal year (e.g. Fiscal Year 2025 contributions were determined using an actuarial valuation as of June 30, 2023). The methods and assumptions used to determine the actuarially determined and contractual required contributions are as follows:

<b>Fiscal Year</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Valuation Dates</b>	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
<b>Actuarial cost method<sup>1</sup></b>	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
<b>Amortization method for Unfunded Accrued Liabilities (UAL):</b>					
<b>Initial 2010 UAL</b>	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
<b>Post-2010 UALs</b>	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
<b>Remaining amortization period:</b>					
<b>Initial 2010 UAL</b>	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
<b>2010 ERI</b>	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)
<b>2011 (G/L)</b>	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)
<b>2012 (G/L)</b>	4 Years (Closed)	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)
<b>2013 (G/L)</b>	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)
<b>2013 Transit Refunds</b>	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)
<b>2014 (G/L)</b>	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)
<b>2014 Assumption Change</b>	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
<b>2015 (G/L)</b>	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)
<b>2016 (G/L)</b>	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
<b>2017 (G/L)</b>	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
<b>2017 Assumption Change</b>	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)
<b>2017 Method Change</b>	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)
<b>2018 (G/L)</b>	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
<b>2019 (G/L)</b>	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
<b>2019 Assumption Change</b>	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)
<b>2019 Method Change</b>	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)
<b>2020 (G/L)</b>	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
<b>2021 (G/L)</b>	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
<b>2022 (G/L)</b>	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
<b>2023 (G/L)</b>	15 Years (Closed)	NA	NA	NA	NA
<b>Actuarial Asset Valuation Method<sup>2</sup></b>	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value	5-year moving average of fair value
<b>Actuarial assumptions:</b>					
<b>Assumed rate of return<sup>3</sup></b>	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)
<b>Post-retirement mortality<sup>4</sup></b>	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019

<sup>1</sup> The Entry Age Normal Cost Method (EAN) of funding is utilized by the Actuary to calculate the contributions required of the Employer. Under this method, the Actuarial Present Value (APV) of Benefits (APVB) of each individual included in the actuarial valuation is allocated on a level basis over the earnings (or service) of the individual between entry age and assumed exit ages. The employer portion of this APV allocated to a valuation year is the Normal Cost. The portion of this APV not provided for at a valuation date by the APV of Future Normal Costs or future member contributions is the Accrued Liability (AL). The excess, if any, of the AL over the Actuarial Value of Assets (AVA) is the Unfunded Accrued Liability (UAL). Under this method, actuarial gains (losses), as they occur, reduce (increase) the UAL and are explicitly identified and amortized. Increases (decreases) in obligations due to benefit changes, actuarial assumption changes and/or actuarial method changes are also explicitly identified and amortized.

<sup>2</sup> Market Value Restart as of June 30, 2019. The AVA is constrained to be no more than 20% from the Market Value of Assets.

## REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

The above actuarially determined and contractually required contributions were developed using a One-Year Lag Methodology, under which the actuarial valuation determines the employer contribution for the second following fiscal year (e.g. Fiscal Year 2024 determined using an actuarial valuation as of June 30, 2022). The methods and assumptions used to determine the actuarially determined and contractually required contributions are as follows:

Fiscal Year	2020	2019	2018	2017	2016
Valuation Dates	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarial cost method <sup>1</sup>	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method for Unfunded Accrued Liabilities (UAL):					
Initial 2010 UAL	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments	Increasing Dollar Payments
Post-2010 UALs	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Remaining amortization period:					
Initial 2010 UAL	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)
2010 ERI	0 Year (Closed)	0 Year (Closed)	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)
2011 (G)/L	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
2012 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2013 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2013 Transit Refunds	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)
2014 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2014 Assumption Change	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)
2015 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2016 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2017 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2017 Assumption Change	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2017 Method Change	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2018 (G)/L	15 Years (Closed)	NA	NA	NA	NA
2019 (G)/L	NA	NA	NA	NA	NA
2019 Assumption Change	NA	NA	NA	NA	NA
2019 Method Change	NA	NA	NA	NA	NA
2020 (G)/L	NA	NA	NA	NA	NA
2021 (G)/L	NA	NA	NA	NA	NA
2022 (G)/L	NA	NA	NA	NA	NA
2023 (G)/L	NA	NA	NA	NA	NA
Actuarial Asset Valuation Method <sup>2</sup>	6-year moving average of fair value	6-year moving average of fair value	6-year moving average of fair value	6-year moving average of fair value	6-year moving average of fair value
Actuarial assumptions:					
Assumed rate of return <sup>3</sup>	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)	7.0% per annum, net of investment expenses (4.0% per annum for benefits payable under the variable annuity program for TRS and BERS)
Post-retirement mortality <sup>4</sup>	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2016	Tables adopted by Board of Trustees during Fiscal Year 2016	Tables adopted by Board of Trustees during Fiscal Year 2016

<sup>3</sup> Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year

<sup>4</sup> As of June 30, 2019, applied mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for deferred vesteds. Prior to June 30, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued**


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Fiscal Year	2025	2024	2023	2022	2021
Active service: withdrawal, death disability, service retirement <sup>4</sup>	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2019
Salary Increases <sup>3</sup>	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year
Cost-of-Living Adjustments <sup>3</sup>	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation

<sup>3</sup> Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

<sup>4</sup> As of June 30, 2019, applied mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for deferred vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

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**REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued**


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Fiscal Year	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Active service: withdrawal, death disability, service retirement <sup>4</sup>	Tables adopted by Board of Trustees during Fiscal Year 2019	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012
Salary Increases <sup>3</sup>	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year	In general, Merit and Promotion Increases plus assumed General Wage Increases of 3.0% per year
Cost-of-Living Adjustments <sup>3</sup>	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation	1.5% per annum for AutoCola. 2.5% per annum for Escalation

<sup>3</sup> Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

<sup>4</sup> As of June 30, 2019, applied mortality improvement scale MP-2020 published by the Society of Actuaries to post-retirement mortality, active ordinary death mortality rates, and pre-commencement mortality rates for deferred vesteds. Prior to June 30, 2019, MP-2018 was applied to post-retirement mortality. Prior to June 30, 2017, MP-2015 was applied to post-retirement mortality. Prior to June 30, 2014, Scale AA was applied to post-retirement mortality.

# ANNUAL FINANCIAL STATEMENTS

Department of Education of The City of New York

For the Fiscal Years Ended June 30, 2024 and 2023

## SUPPLEMENTAL SCHEDULES



**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

The General Fund is the general operating fund of DOE that is used to account for all the financial resources, except those required to be accounted for in another fund. The Schedule of Aged Receivables includes Federal, State and Non-Governmental Grants and other aid from Fiscal Year 2020 through Fiscal Year 2024, as of June 30, 2024. The Schedule of Budget and Actual Expenditures reflects the final modified budget as approved by The City. This budget is modified throughout the year, and then a final modification is submitted by DOE at year-end to distribute surplus balances and to provide additional funding to categories with expenses that are projected to be in excess of budget appropriations.

**General Fund**

**Schedule of Aged Receivables as of June 30, 2024**

**With Comparative Totals as of June 30, 2023**

(in thousands)

<u>Budget Fiscal Year (BFY)</u>	<u>Federal Categorical Grants</u>	<u>State Aid and Categorical Grants</u>	<u>Non-Governmental Grants</u>	<u>Total Receivables as of June 30, 2024</u>	<u>Total Receivables as of June 30, 2023</u>
FISCAL YEAR 2024	\$ 2,851,647	\$ 1,846,602	\$ 195,796	\$ 4,894,045	\$ -
FISCAL YEAR 2023	186,958	272,278	1,298	460,534	4,666,275
FISCAL YEAR 2022	75,929	80,052	-	155,981	905,522
FISCAL YEAR 2021	-	33,808	-	33,808	145,561
FISCAL YEAR 2020	-	11	-	11	30,041
TOTAL RECEIVABLES	<u>\$ 3,114,534</u>	<u>\$ 2,232,751</u>	<u>\$ 197,094</u>	<u>\$ 5,544,379</u>	<u>\$ 5,747,399</u>

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**General Fund**

**Schedule of Aged Receivables as of June 30, 2023**

**With Comparative Totals as of June 30, 2022**

(in thousands)

<u>Budget Fiscal Year (BFY)</u>	<u>Federal Categorical Grants</u>	<u>State Aid and Categorical Grants</u>	<u>Non- Governmental Grants</u>	<u>Total Receivables as of June 30, 2023</u>	<u>Total Receivables as of June 30, 2022</u>
FISCAL YEAR 2023	\$ 2,738,398	\$ 1,824,502	\$ 103,375	\$ 4,666,275	\$ -
FISCAL YEAR 2022	417,536	452,142	35,844	905,522	5,743,101
FISCAL YEAR 2021	345	142,310	2,906	145,561	390,799
FISCAL YEAR 2020	-	30,041	-	30,041	111,944
FISCAL YEAR 2019	-	-	-	-	8,197
<b>TOTAL RECEIVABLES</b>	<u><u>\$ 3,156,279</u></u>	<u><u>\$ 2,448,995</u></u>	<u><u>\$ 142,125</u></u>	<u><u>\$ 5,747,399</u></u>	<u><u>\$ 6,254,041</u></u>

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**General Fund**

**Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2024**

**(in thousands):**

	<u>UOA</u>	<u>Modified Budget</u>	<u>Expenditures</u>	<u>Variance</u>
GENERAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:				
401	Salaries	\$ 7,501,860	\$ 7,499,347	\$ 2,513
402	Supplies	202,368	195,605	6,763
402	Furniture and equipment	82,665	69,204	13,461
402	Textbooks	95,765	49,133	46,632
402	Contractual services	<u>550,005</u>	<u>616,800</u>	<u>(66,795)</u>
	Total	<u>8,432,663</u>	<u>8,430,089</u>	<u>2,574</u>
SPECIAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:				
403	Salaries	2,394,937	2,394,423	514
404	Supplies	3,270	3,774	(504)
404	Furniture and equipment	3,902	1,076	2,826
404	Textbooks	347	-	347
404	Contractual services	<u>2,306</u>	<u>2,230</u>	<u>76</u>
	Total	<u>2,404,762</u>	<u>2,401,503</u>	<u>3,259</u>
CHARTER SCHOOLS:				
406	Supplies	2,091	2,362	(271)
406	Textbooks	8,990	7,376	1,614
406	Contractual services	<u>3,144,450</u>	<u>3,135,158</u>	<u>9,292</u>
	Total	<u>3,155,531</u>	<u>3,144,896</u>	<u>10,635</u>
UNIVERSAL PRE-K:				
407	Salaries	720,940	816,513	(95,573)
408	Supplies	16,051	13,669	2,382
408	Furniture and equipment	6,133	643	5,490
408	Textbooks	314	45	269
408	Contractual services	<u>922,815</u>	<u>952,245</u>	<u>(29,430)</u>
	Total	<u>1,666,253</u>	<u>1,783,115</u>	<u>(116,862)</u>
EARLY CHILDHOOD PROGRAMS:				
409	Salaries	28,978	24,929	4,049
410	Supplies	7,471	324	7,147
410	Furniture and equipment	-	-	-
410	Textbooks	54	251	(197)
410	Contractual services	<u>466,955</u>	<u>466,922</u>	<u>33</u>
	Total	<u>503,458</u>	<u>492,426</u>	<u>11,032</u>

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund

Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2024

(in thousands):

UOA		Modified Budget	Expenditures	Variance
SCHOOL SUPPORT ORGANIZATION:				
415	Salaries	\$ 275,488	\$ 324,321	\$ (48,833)
416	Supplies	2,619	1,801	818
416	Furniture and equipment	553	463	90
416	Textbooks	20	25	(5)
416	Contractual services	17,200	7,295	9,905
Total		295,880	333,905	(38,025)
CITYWIDE EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:				
421	Salaries	1,445,592	1,445,355	237
422	Supplies	32,678	18,610	14,068
422	Furniture and equipment	10,491	8,683	1,808
422	Textbooks	1,186	793	393
422	Contractual services	10,974	11,904	(930)
Total		1,500,921	1,485,345	15,576
SPECIAL EDUCATION				
423	Salaries	434,270	430,526	3,744
424	Supplies	1,879	1,854	25
424	Furniture and equipment	2,814	1,157	1,657
424	Textbooks	-	-	-
424	Contractual services	411,047	398,832	12,215
Total		850,010	832,369	17,641
SCHOOL FACILITIES:				
435	Salaries	183,750	191,423	(7,673)
436	Supplies	47,983	77,984	(30,001)
436	Furniture and equipment	4,196	6,163	(1,967)
436	Contractual services	1,212,662	1,191,100	21,562
436	Pollution remediation	119,871	119,871	-
Total		1,568,462	1,586,541	(18,079)

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund

Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2024

(in thousands):

	UOA	Modified Budget	Expenditures	Variance
PUPIL TRANSPORTATION:				
437	Salaries	\$ 11,220	\$ 8,952	\$ 2,268
438	Supplies	2,589	689	1,900
438	Equipment	2,237	59	2,178
438	Contractual services	6,449	21,611	(15,162)
438	Pupil transportation	<u>1,713,471</u>	<u>1,634,479</u>	<u>78,992</u>
	Total	<u>1,735,966</u>	<u>1,665,790</u>	<u>70,176</u>
SCHOOL FOOD SERVICES:				
439	Salaries	288,059	247,080	40,979
440	Supplies	27,748	46,803	(19,055)
440	Food purchases	274,375	248,943	25,432
440	Furniture and equipment	3,813	6,325	(2,512)
440	Contractual services	<u>15,690</u>	<u>30,800</u>	<u>(15,110)</u>
	Total	<u>609,685</u>	<u>579,951</u>	<u>29,734</u>
442	SCHOOL SAFETY	<u>368,856</u>	<u>362,305</u>	<u>6,551</u>
444	ENERGY AND LEASES	<u>752,185</u>	<u>751,921</u>	<u>264</u>
CENTRAL ADMINISTRATION:				
453	Salaries	153,337	252,001	(98,664)
454	Supplies	49,654	38,345	11,309
454	Furniture and equipment	1,732	2,210	(478)
454	Judgments and claims	98	3,794	(3,696)
454	Contractual services	123,023	123,657	(634)
454	Fixed charges	<u>31</u>	<u>136</u>	<u>(105)</u>
	Total	<u>327,875</u>	<u>420,143</u>	<u>(92,268)</u>
461	FRINGE BENEFITS	<u>3,917,417</u>	<u>3,917,783</u>	<u>(366)</u>
PRE-KINDERGARTEN:				
470	CONTRACTS	<u>872,268</u>	<u>830,302</u>	<u>41,966</u>

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund

Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2024

(in thousands):

<u>UOA</u>	<u>Modified Budget</u>	<u>Expenditures</u>	<u>Variance</u>
472 CONTRACT SCHOOLS AND FOSTER CARE	\$ 1,541,380	\$ 1,565,917	\$ (24,537)
474 NON-PUBLIC SCHOOLS AND FIT PAYMENTS	118,586	104,137	14,449
TOTAL TAX LEVY	<u>30,622,158</u>	<u>30,688,438</u>	<u>(66,280)</u>
CATEGORICAL PROGRAMS:			
481 Salaries	1,248,938	1,182,013	66,925
482 Supplies	512,427	320,773	191,654
482 Furniture and equipment	25,362	31,552	(6,190)
482 Contractual	843,081	992,874	(149,793)
482 Pension	128,632	128,378	254
Total categorical programs	<u>2,758,440</u>	<u>2,655,590</u>	<u>102,850</u>
TOTAL APPROPRIATIONS EXPENDED	<u>33,380,598</u>	<u>33,344,028</u>	<u>36,570</u>
INTRA-CITY SALES	<u>(141,828)</u>	<u>(135,676)</u>	<u>(6,152)</u>
Sub-total	<u>33,238,770</u>	<u>33,208,352</u>	<u>30,418</u>
NET CHANGE IN PRIOR PAYABLES	<u>-</u>	<u>(366,005)</u>	<u>366,005</u>
PROPORTIONATE SHARE OF PENSIONS, OPEB AND LEASES:			
Pensions	3,300,164	3,300,164	-
OPEB	1,015,351	1,015,351	-
Leases	247,564	247,564	-
Total expenditures	<u>\$ 37,801,849</u>	<u>\$ 37,405,426</u>	<u>\$ 396,423</u>

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund

Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2023

(in thousands):

	UOA	Modified Budget	Expenditures	Variance
GENERAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:				
401	Salaries	\$ 6,951,325	\$ 6,951,325	\$ -
402	Supplies	210,100	173,794	36,306
402	Furniture and equipment	78,557	70,009	8,548
402	Textbooks	105,032	50,045	54,987
402	Contractual services	476,616	576,049	(99,433)
	Total	<u>7,821,630</u>	<u>7,821,222</u>	<u>408</u>
SPECIAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:				
403	Salaries	2,330,280	2,162,562	167,718
404	Supplies	3,270	2,866	404
404	Furniture and equipment	3,902	1,193	2,709
404	Textbooks	347	5	342
404	Contractual services	2,306	2,282	24
	Total	<u>2,340,105</u>	<u>2,168,908</u>	<u>171,197</u>
CHARTER SCHOOLS:				
406	Supplies	2,090	2,574	(484)
406	Textbooks	8,982	6,732	2,250
406	Contractual services	2,900,837	2,902,603	(1,766)
	Total	<u>2,911,909</u>	<u>2,911,909</u>	<u>-</u>
UNIVERSAL PRE-K:				
407	Salaries	763,034	754,958	8,076
408	Supplies	18,885	23,427	(4,542)
408	Furniture and equipment	5,953	823	5,130
408	Textbooks	314	266	48
408	Contractual services	887,624	904,716	(17,092)
	Total	<u>1,675,810</u>	<u>1,684,190</u>	<u>(8,380)</u>
EARLY CHILDHOOD PROGRAMS:				
409	Salaries	54,001	23,509	30,492
410	Supplies	6,708	2,517	4,191
410	Furniture and equipment	-	1	(1)
410	Textbooks	54	-	54
410	Contractual services	523,070	529,085	(6,015)
	Total	<u>583,833</u>	<u>555,112</u>	<u>28,721</u>

(Continued)

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**General Fund**

**Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2023**

**(in thousands):**

	<u>UOA</u>	<u>Modified Budget</u>	<u>Expenditures</u>	<u>Variance</u>
SCHOOL SUPPORT				
ORGANIZATION:				
415	Salaries	\$ 265,371	\$ 304,774	\$ (39,403)
416	Supplies	413	3,195	(2,782)
416	Furniture and equipment	473	2,261	(1,788)
416	Textbooks	20	64	(44)
416	Contractual services	<u>23,743</u>	<u>18,439</u>	<u>5,304</u>
	Total	<u>290,020</u>	<u>328,733</u>	<u>(38,713)</u>
CITYWIDE EDUCATION				
INSTRUCTION AND				
SCHOOL LEADERSHIP:				
421	Salaries	1,313,473	1,311,902	1,571
422	Supplies	12,683	14,536	(1,853)
422	Furniture and equipment	11,215	8,916	2,299
422	Textbooks	1,186	881	305
422	Contractual services	<u>10,636</u>	<u>8,859</u>	<u>1,777</u>
	Total	<u>1,349,193</u>	<u>1,345,094</u>	<u>4,099</u>
INSTRUCTIONAL SUPPORT:				
423	Salaries	394,451	389,013	5,438
424	Supplies	3,190	5,753	(2,563)
424	Furniture and equipment	7,479	1,687	5,792
424	Textbooks	1	-	1
424	Contractual services	<u>271,896</u>	<u>271,266</u>	<u>630</u>
	Total	<u>677,017</u>	<u>667,719</u>	<u>9,298</u>
SCHOOL FACILITIES:				
435	Salaries	172,888	173,680	(792)
436	Supplies	133,323	115,451	17,872
436	Furniture and equipment	4,226	5,330	(1,104)
436	Contractual services	1,055,081	1,084,864	(29,783)
436	Pollution remediation	<u>109,080</u>	<u>109,080</u>	<u>-</u>
	Total	<u>1,474,598</u>	<u>1,488,405</u>	<u>(13,807)</u>

(Continued)



**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**General Fund**

**Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2023**

**(in thousands):**

	<u>UOA</u>	<u>Modified Budget</u>	<u>Expenditures</u>	<u>Variance</u>
PUPIL TRANSPORTATION:				
438	Supplies	\$ 2,976	\$ 618	\$ 2,358
438	Equipment	2,077	207	1,870
438	Contractual services	9,463	8,205	1,258
438	Pupil transportation	<u>1,688,918</u>	<u>1,615,405</u>	<u>73,513</u>
	Total	<u>1,703,434</u>	<u>1,624,435</u>	<u>78,999</u>
SCHOOL FOOD SERVICES:				
439	Salaries	316,313	248,007	68,306
440	Supplies	27,713	35,628	(7,915)
440	Food purchases	260,915	250,713	10,202
440	Furniture and equipment	3,813	9,221	(5,408)
440	Contractual services	<u>15,778</u>	<u>32,600</u>	<u>(16,822)</u>
	Total	<u>624,532</u>	<u>576,169</u>	<u>48,363</u>
442	SCHOOL SAFETY	<u>345,901</u>	<u>342,554</u>	<u>3,347</u>
444	ENERGY AND LEASES	<u>761,654</u>	<u>763,199</u>	<u>(1,545)</u>
CENTRAL ADMINISTRATION:				
453	Salaries	246,406	239,172	7,234
454	Supplies	32,901	35,369	(2,468)
454	Furniture and equipment	895	2,433	(1,538)
454	Judgments and claims	98	4,123	(4,025)
454	Contractual services	119,404	110,575	8,829
454	Fixed charges	<u>46</u>	<u>166</u>	<u>(120)</u>
	Total	<u>399,750</u>	<u>391,838</u>	<u>7,912</u>
461	FRINGE BENEFITS	<u>3,682,190</u>	<u>3,729,425</u>	<u>(47,235)</u>
PRE-KINDERGARTEN:				
470	CONTRACTS	<u>799,316</u>	<u>783,474</u>	<u>15,842</u>

(Continued)

**DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK**

**General Fund**

**Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2023**

**(in thousands):**

<u>UOA</u>	<u>Modified Budget</u>	<u>Expenditures</u>	<u>Variance</u>
472 CONTRACT SCHOOLS AND FOSTER CARE	\$ 1,176,402	\$ 1,430,286	\$ (253,884)
474 NON-PUBLIC SCHOOLS AND FIT PAYMENTS	92,944	90,171	2,773
TOTAL TAX LEVY	28,710,238	28,702,843	7,395
CATEGORICAL PROGRAMS:			
481 Salaries	1,306,531	1,299,325	7,206
482 Supplies	567,035	359,551	207,484
482 Furniture and equipment	27,987	42,273	(14,286)
482 Contractual	776,320	947,712	(171,392)
482 Pension	127,491	126,946	545
Total categorical programs	2,805,364	2,775,807	29,557
TOTAL APPROPRIATIONS EXPENDED	31,515,602	31,478,650	36,952
INTRA-CITY SALES	(90,636)	(84,793)	(5,843)
Sub-total	31,424,966	31,393,857	31,109
NET CHANGE IN PRIOR PAYABLES	-	(444,951)	444,951
PROPORTIONATE SHARE OF PENSIONS, OPEB AND LEASES:			
Pensions	3,217,752	3,217,752	-
OPEB	989,099	989,099	-
Leases	369,200	369,200	-
Total expenditures	\$ 36,001,017	\$ 35,524,957	\$ 476,060

## Glossary

ACFR	Annual Comprehensive Financial Report
ARO	Asset Retirement Obligation
ARRA	American Recovery and Reinvestment Act
BOE	Board of Education
BERS	Board of Education Retirement System
COVID-19	Coronavirus Disease 2019
CMS	Centers of Medical and Medicaid services
CDBG	Community Development Block Grant
DDC	New York City Department of Design and Construction
DOE	Department of Education of The City of New York
FAMIS	Financial Accounting Management Information System
FDIC	Federal Deposit Insurance Corporation
Federal	One of the agencies of the United States of America
FEMA	Federal Emergency Management Agency
FFP	Federal Financial Participation
FFS	Fund Financial Statement
FIT	Fashion Institute of Technology
FMS	New York City Financial Management System
FSC	Field Support Center
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GWFS	Government Wide Financial Statement
HHC	New York City Health and Hospitals Corporation
HHS	United States Department of Health and Human Services
IDEA	Individuals with Disabilities Education Act
NYCERS	New York City Employee Retirement System
NYCHA	New York City Housing Authority
NYCRS	New York City Retirement Systems
NYCSSS	New York City School Support Service Inc.
OMB	New York City Office of Management and Budget
OPEB	Other Post Employment Benefits
OTPS	Other Than Personnel Services
PRO	Pollutions Remediation Obligations
PS	Personnel Services
QPP	Qualified Pension Plan
RHBT	New York City Retiree Health Benefits Trust
RSI	Required Supplementary Information
SCA	School Construction Authority
SED	State Education Department
State	The State of New York
Tax Levy	Appropriations provided by The City of New York
TDA	Tax Deferred Annuity
TFA	New York City Transitional Finance Authority
The City	The City of New York
TRS	Teacher Retirement System

END PAGE