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, 2023 and 2022

Eric Adams, Mayor
David C. Banks, Chancellor

Prepared by the Division of Financial Operations

Seritta Scott, Chief Financial Officer

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For the Fiscal Years Ended June 30, 2023 and 2022

INTRODUCTORY SECTION

Transmittal Letter

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

David C. Banks, *Chancellor*

OFFICE OF THE CHANCELLOR

52 Chambers Street, New York, New York 10007

December 11, 2023

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, 2023

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, 2023, 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 1,048,000 students from 3-K to grade 12 and employs approximately 77,000 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, 2023 (rounded):

Student Demographics - Fiscal Year 2023	
3-K & Pre-K	99,000
K - 5	419,000
6 - 8	218,000
9 - 12	312,000
Total	1,048,000

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, 2023, The City's economy continued to grow robustly in Fiscal Year 2023, with The City's job market recovering close to levels from the pre-pandemic peak. By the end of FY2023, jobs in traditionally office-using industries reached a new peak exceeding 1.5 million. Within office-using industries, jobs in the Information sector returned below the February 2020 peak due to a combination of layoffs in tech firms and the temporary effects of the writers' (WGA) and actors' (SAG/AFTRA) strikes. Jobs in Education and Health Services were also at a new peak of nearly 1.2 million jobs.

In addition, the unemployment rate was 5.4 percent in June 2023 (seasonally adjusted) and NYC taxable sales grew by 11.3 percent in FY 2023, driven by economic growth and inflation.

To support families seeking asylum and ensure children are provided a full range of services to start their NYC public education, The City implemented "Project Open Arms," a multi-agency plan including the DOE, Mayor's Office of Immigrant Affairs and NYC Department of Social Services. In Fiscal Year 2023, the DOE provided additional curricular, instructional, and family support to over 18,000 students of asylum seekers.

Fiscal Outlook

Overall, The City availed itself of $12.53 billion in additional resources that were primarily used to close the FY 2024 budget gap ($5.48 billion), fund the unanticipated costs associated with providing services and shelter to people seeking asylum ($1.47 billion), fund greater than budgeted contractual services costs outside of asylum seeker costs ($2.06 billion), and pay for greater than expected overtime costs, again excluding overtime costs associated with the City's asylum seeker response ($1.11 billion).

The DOE faces the following financial challenges:

- Temporary federal stimulus funding runs out in September 2024. This funding supports over $700 million in recurring expenses such as 3-K, Public Schools Athletic League (PSAL), the Arts, community schools, and social workers.
- The State's new class size mandate is expected to cost $1.3 billion annually by 2028, in addition to $30-$35 billion in facilities costs.
- Economic conditions such as inflation and stock market declines have affected The City's tax revenue, resulting in less money for municipal services – including schools.
- Mandatory costs such as Carter cases and benefits are growing rapidly.

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 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 financial 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

Seritta Scott
Chief Financial Officer

Leonel Ferreira

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, 2023 and 2022

FINANCIAL SECTION

GRANT THORNTON LLP
757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100
F +1 212 370 4520

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, 2023 and 2022, 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, 2023 and 2022, 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 audits. 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 - 28, the Schedule of the Net OPEB Liability on page 75, the Schedule of DOE's Proportional Share of the Net Pension Liabilities of Cost-Sharing Multiple Employer Pension Plans on page 76, and the Schedule of DOE Contributions for TRS and BERS Pension Plans on pages 77 - 81 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 83 - 92 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 audits 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.

Grant Thornton

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2023, 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
December 11, 2023

GRANT THORNTON LLP
757 Third Ave., 9th Floor
New York, NY 10017-2013

D +1 212 599 0100
F +1 212 370 4520

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, 2023, and the related notes to the financial statements, which collectively comprise the DOE's basic financial statements, and have issued our report thereon dated December 11, 2023.

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 2023-001 that we consider to be significant deficiencies in the DOE's internal control.

Grant Thornton

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 requires the auditor to perform limited procedures on the DOE's response to the finding 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
December 11, 2023

Finding #: 2023-001

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 2023 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.

   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 shared SQL accounts were created as a part of the original application design and are required for continued management. DIIT is planning to migrate these SQL servers into its standard SQL farm at which point the shared accounts will be disabled and removed. The target date for this migration to begin is after the new Fiscal Year (July 1, 2024) and is contingent on funding and resource availability.

   b. **Segregation of Duties**
   We noted that there are eight non-IT personnel that retain administrator privileges for the DOE's general ledger system and one non-IT personnel that retains administrator privileges for the DOE's operating system that supports the 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:

The accounts for non-IT staff are being reviewed to determine if access continues to be required. As of the date of this response, four of the eight accounts have already been revoked. The DOE will complete this review by the end of the calendar year (December 31, 2023).

The DOE will be conducting a review of the processes related to managing and provisioning RACF and Mainframe security management to determine if there are gaps that need to be addressed. DOE anticipates that this review will be completed by March 1, 2024.

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:

Work is underway to implement the software necessary for managing privileged access. The product chosen for this is Secret Server. The team is presently on track to complete the implementation of Secret Server by the target date of July 1, 2024, contingent on funding and resource availability. Once the product is in place, DIIT will begin onboarding applications which will allow privileged access to be managed within those applications.

Once the product is in place, DIIT will begin onboarding applications which will allow privileged access to be managed within those applications.

Views of responsible officials:

DOE Response:

While the DOE recognizes these items as significant issues, we also note that they are not easily resolved without risk of interrupting the operation of critical applications. Changes to these processes and practices need to be carefully planned and implemented to avoid any disruptions in service.

DIIT understands the risk of these items and is satisfied that there is a viable plan to resolve each of these.

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, 2023 and 2022. 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 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").

- In Fiscal Year 2022, General Fund total revenue and expenditures increased $2.8 billion to $35.6 billion, driven primarily by increased stimulus-related costs in general education instruction, student transportation, and school maintenance.

- Net position on June 30, 2023, and 2022 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, 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.

- Total assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported in the governmental funds on June 30, 2022, were $6.5 billion, an increase of $1.1 billion from Fiscal Year 2021.

Overview of Financial Statements

The following is a narrative overview and analysis of the financial activities of the DOE, for the Fiscal Years ended June 30, 2023, and 2022. 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.

	Department-wide Statements	**Fund Financial Statements Governmental Funds**	**Fiduciary Funds**
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, 2023, 2022 and 2021:

Figure 1	**Governmental Activities**		
Condensed Statement of Net Position	**2023**	**2022**	**2021**
		(in thousands)	
Current and other assets	$ 6,062,028	$ 6,493,191	$ 5,442,182
Due from The City of New York	25,813,912	27,761,729	31,677,065
Capital assets (Net of depreciation/amortization)	34,286,574	32,424,055	29,033,042
Total assets	66,162,514	66,678,975	66,152,289
Deferred outflow of resources	3,251,317	5,375,151	5,300,546
Long-term liabilities	50,531,786	49,667,831	42,997,380
Other liabilities	6,707,575	6,730,698	5,622,361
Total liabilities	57,239,361	56,398,529	48,619,741
Deferred inflows of resources	12,174,470	15,655,597	22,833,094
Net position:			
Net investment in capital assets	34,286,574	32,424,055	29,033,042
Unrestricted deficit	(34,286,574)	(32,424,055)	(29,033,042)
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 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 2022 total assets increased by $527 million from $66.2 billion as of June 30, 2021, to $66.7 billion as of June 30, 2022, primarily due to the implementation of Governmental Accounting Standards Board ("GASB") Statement No. 87, Leases ("GASB 87"), which required the DOE, as a lessee, to recognize a lease liability and an intangible right-to-use lease asset ("lease asset"). The addition of leased assets increased the DOE's assets by $2.3 billion. Federal receivables also increased by $2.3 billion from the prior year as a result of additional stimulus funding. These increases were offset by a decrease of $4.0 billion in the amount due from The City of New York, as a result of pensions and OPEB fluctuations.

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 2022, total liabilities increased by $7.8 billion from $48.6 billion as of June 30, 2021, to $56.4 billion as of June 30, 2022. This was primarily due to an increase of $14.1 billion in pension obligations and an increase of $2.6 billion in the amount reported as lease liabilities with the implementation of GASB No. 87. These increases were offset by a net decrease in the OPEB liability of $9.6 billion over the prior year.

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 receivables and accrued vacation and sick leave balances.

In Fiscal Year 2022, current liabilities increased by $1.1 billion from $5.6 billion as of June 30, 2021, to $6.7 billion, as of June 30, 2022. This increase is primarily due to an increase of $764 million in accounts payable and accrued liabilities which was driven by Universal Pre-K spending and teacher’s payroll accruals.

The following provides a summary of changes in the DOE's net position for all activities as of June 30, 2023, 2022, and 2021:

Figure 2

Condensed Statement of Activities

	Governmental Activities		
	2023	**2022**	**2021**
		(in thousands)	
Revenues:			
Program revenues:			
Charges for services	$ 177,935	$ 66,519	$ 41,776
Operating grants and contributions	16,677,137	17,238,018	13,458,921
General revenues:			
City funded	17,908,559	16,144,530	15,714,623
Other/Intra-city sales	84,793	80,427	62,773
Total revenues	34,848,424	33,529,494	29,278,093
Expenses:			
School leadership, instruction and special education support	23,564,178	22,718,448	19,098,272
School support services	5,244,090	5,159,443	4,554,795
School support organization	376,063	370,160	461,859
Central administration	448,253	454,800	493,993
Non-public, charter and contract schools	5,215,840	4,826,643	4,669,174
Total expenses	34,848,424	33,529,494	29,278,093
Net revenue (expenses)	-	-	-
Change in net position	-	-	-
Net position - beginning	-	-	-
Net position - ending	$ -	$ -	$ -

The key elements of these changes are as follows:

- In Fiscal Year 2023, school leadership, instruction, and special education support increased 4.0% 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.

- In Fiscal Year 2022, school leadership, instruction, and special education support increased 19.0% from $19.1 billion in Fiscal Year 2021, to $22.7 billion in Fiscal Year 2022. 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 $3.1 billion, which were offset by a net reduction in accrued liabilities of $407 million, related to vacation and sick leave and judgment and claims.

- School support services increased by $605 million from $4.6 billion in Fiscal Year 2021 to $5.2 billion in Fiscal Year 2022. Of the $605 million increase, $644 million is directly related to the fringe benefit allocation. The offsetting remainder is attributable to fluctuations in costs incurred for pollution remediation and costs associated with school reopening. School support organization decreased from $462 million to $370 million; Central administration decreased by $39.2 million, and non-public, charter and contract schools had an overall increase of $157 million due to charter and Carter case increases in obligation costs and instructional programs.

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 DOE's programs. The following table summarizes the changes in fund balances of governmental funds as of June 30, 2023, 2022 and 2021 - (in thousands):

Figure 3	**Governmental Funds**			**Amount Change**		**Percentage Change**	
General Fund	**2023**	**2022**	**2021**	**2023-2022**	**2022-2021**	**2023-2022**	**2022-2021**
Assets:							
Cash	$ 305,774	$ 230,298	$ 104,370	$ 75,476	$ 125,928	32.8%	120.7%
Accounts Receivable							
Federal	3,156,279	3,970,700	1,636,535	(814,421)	2,334,165	-20.5%	142.6%
State	2,448,995	2,168,184	2,392,802	280,811	(224,618)	13.0%	-9.4%
Non-Governmental	142,125	115,157	162,189	26,968	(47,032)	23.4%	-29.0%
Due from The City of New York	-	-	1,083,151	-	(1,083,151)	0.0%	-100.0%
Total	$ 6,053,173	$ 6,484,339	$ 5,379,047	$ (431,166)	$ 1,105,292	-6.6%	20.5%
Liabilities:							
Accounts Payable and Accrued Expenses	$ 5,366,327	$ 5,966,756	$ 5,202,527	$ (600,429)	$ 764,229	-10.1%	14.7%
Other Liabilities	686,846	508,124	134,583	178,722	373,541	35.2%	277.6%
Deferred inflows of resources:							
Grant advances	-	9,459	41,937	(9,459)	(32,478)	-100.0%	-77.4%
Total	$ 6,053,173	$ 6,484,339	$ 5,379,047	$ (431,166)	$ 1,105,292	-6.6%	20.5%

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

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 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 IDEA, other Title funding, Head Start and Medicaid.

Changes in total assets for Fiscal Year 2022: Total assets increased approximately $1.1 billion from $5.4 billion to $6.5 billion. The change was primarily due to an increase of approximately $2.4 billion in federal accounts receivables, which was offset by a $1.1 billion decrease in amount due from The City to pay for outstanding liabilities in the General fund. The increase in accounts receivable is due to the timing of cash receipts for federal funds from Coronavirus Aid, Relief, and Economic Security ("CARES") Act, Federal Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSA"), and American Rescue Plan Act ("ARPA"), funding which are based on claims for reimbursement of expenditures. In Fiscal Year 2022, the DOE added $120 million to its existing restricted cash trust account. The DOE will maintain this account to serve as security for school bus transportation insurance costs.

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 personal services (OTPS) cost.

Changes in total liabilities and deferred inflows of resources for Fiscal Year 2022: Governmental Fund liabilities plus deferred inflows of resources increased $1.1 billion due to an increase of $764 million in accounts payable and accrued liabilities in the General Fund which was driven by Universal Pre-K spending and teacher's payroll accruals. Additionally, for Fiscal Year 2022 the DOE reported an advance from The City of New York of $383 million.

The following provides a summary of changes in revenues and expenditures as of June 30, 2023, 2022 and 2021 - (in thousands):

Figure 4	General Fund			Percentage Change	
Changes in Revenue and Expenditures	**2023**	**2022**	**2021**	**2023–2022**	**2022–2021**
Revenues:					
Federal aid	$ 4,047,827	$ 4,972,742	$ 2,578,948	-18.6%	92.8%
State aid	12,447,117	12,036,606	10,652,066	3.4%	13.0%
Funding by The City	18,787,038	18,421,567	19,410,997	2.0%	-5.1%
Other	242,975	180,585	202,158	34.5%	-10.7%
Total revenues	$ 35,524,957	$ 35,611,500	$ 32,844,169	-0.2%	8.4%
Expenditures:					
School leadership, instruction and special education support	$ 24,190,585	$ 24,595,859	$ 22,720,363	-1.6%	8.3%
School support services	5,823,960	5,616,287	4,828,099	3.7%	16.3%
School support organization	376,063	370,160	396,843	1.6%	-6.7%
Central administration	448,253	454,800	486,690	-1.4%	-6.6%
Non-public, Charter, and Contract Schools	5,215,840	4,826,643	4,669,174	8.1%	3.4%
Intra-city sales	(84,793)	(80,427)	(62,773)	5.4%	28.1%
Subtotal	35,969,908	35,783,322	33,038,396	0.5%	8.3%
Net change in estimate of prior payables	(444,951)	(171,822)	(194,227)	159.0%	-11.5%
Total expenditures	$ 35,524,957	$ 35,611,500	$ 32,844,169	-0.2%	8.4%

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 were 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.

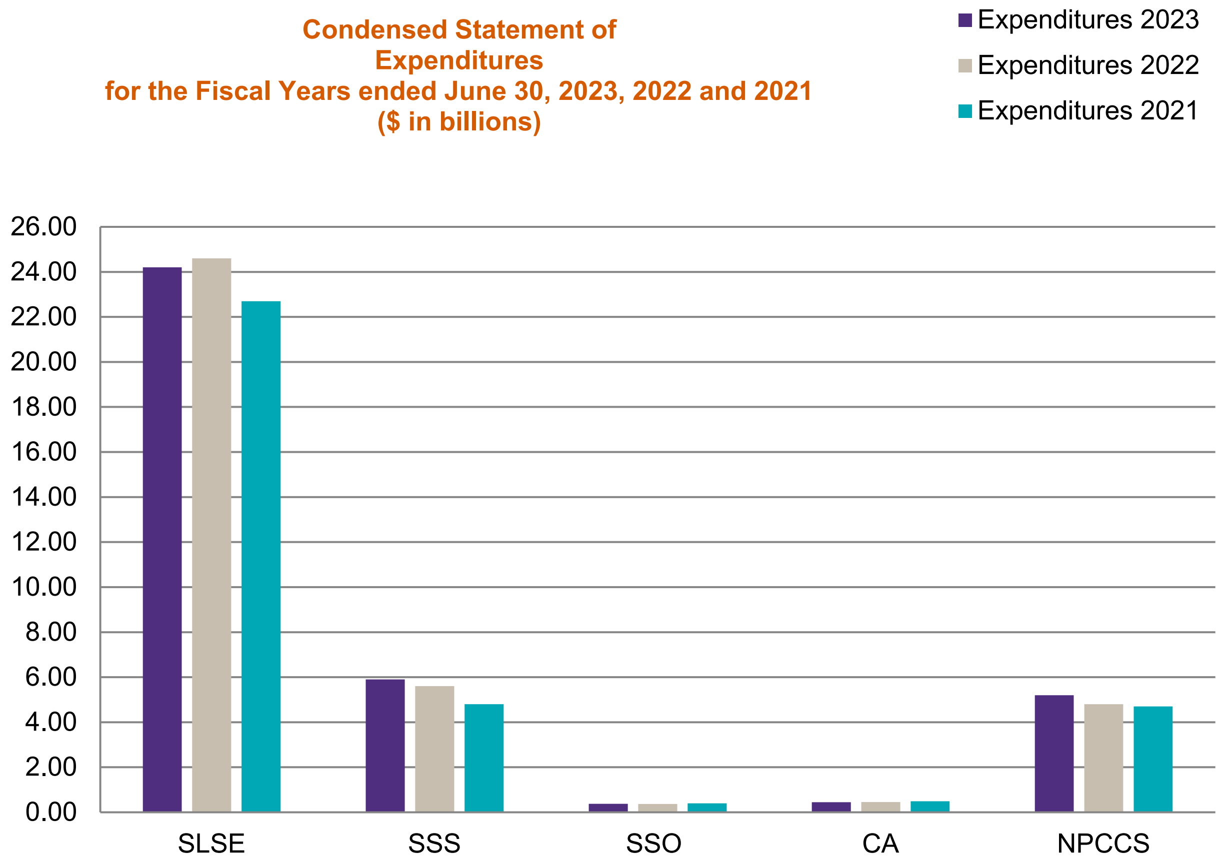
In Fiscal Year 2022, total revenues increased $2.8 billion due to increases in aid provided by the federal and state government of $2.4 and $1.4 billion, respectively. The increases in revenue were offset by decreases in the funding provided by The City.

The increases in federal programs were primarily due to increases in COVID-19 and stimulus spending of $1.9 billion, $380.1 million in increased meal reimbursement, $59.2 million in increased IDEA support, and $31.2 million in increased Medicaid recovery. Offsetting those increases were decreases of $33.6 million in Title I and Title II, a decrease of $15.6 million in Head Start funding, and $0.3 million in net decreases across all other grants. These decreases were generally due to decreased appropriations.

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.

In Fiscal Year 2022, State Aid increased by a net $1,384.5 million, due to an increase in Foundation Aid of $1,233.6 million, $172.3 million in Transportation Aid, $12.2 million in Charter School aid, $11.4 in Employment Preparation aid, $8.9 million in Smart Schools, and $2.7 million in State Breakfast reimbursement. Offsetting these were decreases of $55.1 million in other state formula aid such as High-Cost Aid, Private Excess Cost Aid, and Career Education Aid, and a net decrease of $1.4 million in all other aid.

Figure 5



	Functions/Program
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 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%, and school support organization costs increased by $6 million. Central administration, which includes the IT expenditures, decreased overall by $7 million. Non-public, charter, and contract schools' expenditures increased $389 million, an 8.1% increase due to charter and Carter case student population increases.

In Fiscal Year 2022 total fund expenditures increased 8.4% or $2.8 billion. Expenditures in school leadership, instruction and special Education instructional programs increased by $1.9 billion compared to Fiscal Year 2021 mainly due to increases in the reporting of the proportionate share of both pension and OPEB expenses.

School support services increased by $788 million, or 16.3%, and school support organization costs decreased by $26.7 million. Central administration, which includes the IT expenditures, decreased overall by $31.9 million. Non-public, charter, and contract schools' expenditures increased $157 million, a 3.4% increase due to charter and Carter 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 $30.3 million to Tax-levy budgets and $50 million to Reimbursable Program budgets.

- November and January Plan Actions, which increased Tax-levy budgets by $164 million and Reimbursable Program budgets by $23.3 million. The adjustments were primarily due to the following: Stimulus alignment - $220 million; Smart Schools Bond Act (SSBA) - $40 million; NPS CARES revenue - $16.7 million; Heating Fuel - $27 million; Heat, Light and Power - $23.1 million; Collective Bargaining - $10.7 million; Community Development Block Grant (CDBG) - $8.7 million; Demand Response Energy Program - $5.2 million; Workforce Enhancement - $5 million; Boiler Modifications - $3 million; Neighborhood Rat Reduction Program - $2 million; Substance Abuse Intervention Specialists (SAPIS) - $2 million and savings of $175.9 million.

- Executive and Adopted Budget Actions which increased Tax-levy budgets by $70 million and Reimbursable Program budgets by $12.3 million. Increases were primarily due to the following: Collective Bargaining - $109.4 million; State Aid adjustments - $61 million; SCA revenue - $50 million; State Healthcare Worker Bonus Program - $19.1 million; CDBG adjustments - $13 million; Federal revenue adjustments of $20.2 million and a CDBG-to-Tax-levy adjustment of $3.9 million. Decreases to the budget included a roll of SSBA funds - $72.5 million; Special Education Pre-K adjustment - $54 million; Welfare adjustment - $27.7 million; Heat, Light and Power savings of $32.1 million and Workforce Enhancement adjustments - $8 million.

- Final Fiscal Year Close Actions, which decreased expense-based aids in Tax-levy budgets by $27.5 million and increased Reimbursable Program budgets by $52.2 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 $109.1 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

	Governmental Activities		
	2023	2022	2021
		(in thousands)	
Land*	$ 448,963	$ 448,963	$ 448,963
Construction in progress*	4,408,140	3,230,759	2,442,908
Buildings	25,812,851	25,450,316	25,709,344
Equipment	525,005	534,930	431,827
Lease assets	3,091,615	2,759,087	-
Total	$ 34,286,574	$ 32,424,055	$ 29,033,042

*Asset not depreciable/amortizable

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 2022, construction in progress increased by $788 million. This increase is a result of new projects undertaken by the SCA, which is charged with constructing, improving, and repairing school buildings. The DOE implemented GASB 87 *Leases*, and as a result, lease assets increased by $2.8 billion.

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.

In Fiscal Year 2022, the SCA completed 35 new schools, which resulted in the creation of 8,863 seat openings for the 2022/2023 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, 2023 and 2022

Basic Financial Statements

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Statements of Net Position as of June 30, 2023 and 2022

(in thousands)

	Governmental Activities 2023	Governmental Activities 2022
ASSETS:		
Cash	$ 8,828	$ 7,110
Accounts receivable:		
Federal	3,156,279	3,970,700
State	2,448,995	2,168,184
Non-governmental	142,125	115,157
Inventories	8,855	8,852
Due from The City of New York	25,813,912	27,761,729
Restricted Cash	296,946	223,188
Capital assets (net of accumulated depreciation):		
Land	448,963	448,963
Construction in progress	4,408,140	3,230,759
Buildings	25,812,851	25,450,316
Equipment (including software)	525,005	534,930
Lease assets	3,091,615	2,759,087
Total assets	66,162,514	66,678,975
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows from pension	51,423	1,551,404
Deferred outflows from OPEB	3,199,894	3,823,747
Total deferred outflows of resources	3,251,317	5,375,151
LIABILITIES:		
Accounts payable and accrued liabilities	5,366,327	5,966,756
Other liabilities	240,975	124,740
Due to SCA	150	35
Pollution remediation obligations	97,324	84,479
Accrued vacation and sick leave	654,442	236,794
Lease liability	228,792	210,908
Accrued judgments and claims	119,565	106,986
Noncurrent liabilities:		
Pollution remediation obligations	10,814	9,386
Accrued vacation and sick leave	2,479,525	2,948,721
Lease liability	2,967,054	2,840,678
Accrued judgments and claims	329,982	275,092
Net pension liability	13,091,482	14,166,295
Net OPEB liability	31,652,929	29,427,659
Total liabilities	57,239,361	56,398,529
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pension	2,155,805	2,676,908
Deferred inflows from OPEB	10,018,665	12,969,230
Grant advances	-	9,459
Total deferred inflows of resources	12,174,470	15,655,597
NET POSITION:		
Net investment in capital assets	34,286,574	32,424,055
Unrestricted deficit	(34,286,574)	(32,424,055)
Total net position (deficit)	$ -	$ -

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)

		Program Revenue		
	Program Expenses	Charges for Services	Operating Grants and Contributions	Net (Expenses) Revenues
Function/Programs:				
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	5,215,840	33,815	598,030	(4,583,995)
Total department activities	$ 34,848,424	$ 177,935	$ 16,677,137	(17,993,352)
General revenues:				
City funded				17,908,559
Intra-city sales				84,793
Change in net position				-
Net position (deficit) - beginning				-
Net position (deficit) - ending				$ -

See accompanying notes to financial statements.

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Statement of Activities for the Year Ended June 30, 2022

(in thousands)

	Program Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expenses) Revenues
Function/Programs:				
School leadership, instruction and special education support	$ 22,718,448	$ 15,518	$ 14,572,396	$ (8,130,534)
School support services	5,159,443	29,296	2,086,618	(3,043,529)
School support organization	370,160	-	-	(370,160)
Central administration	454,800	-	-	(454,800)
Non-public, charter, and contract schools	4,826,643	21,705	579,004	(4,225,934)
Total department activities	$ 33,529,494	$ 66,519	$ 17,238,018	(16,224,957)
General revenues:				
City funded				16,144,530
Intra-city sales				80,427
Change in net position				-
Net position (deficit) - beginning				-
Net position (deficit) - ending				$ -

See accompanying notes to financial statements.

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Governmental Fund
Balance Sheets as of June 30, 2023 and 2022

(in thousands)

	General Fund 2023	General Fund 2022
ASSETS:		
Cash	$ 8,828	$ 7,110
Accounts receivable:		
Federal	3,156,279	3,970,700
State	2,448,995	2,168,184
Non-Governmental	142,125	115,157
Restricted cash	296,946	223,188
Total assets	$ 6,053,173	$ 6,484,339
LIABILITIES:		
Accounts payable and accrued liabilities	$ 5,366,327	$ 5,966,756
Advances from The City of New York	445,721	383,349
Other liabilities	240,975	124,740
Due to SCA	150	35
Total liabilities	6,053,173	6,474,880
DEFERRED INFLOWS OF RESOURCES:		
Grant advances	-	9,459
Total deferred inflows of resources	-	9,459
FUND BALANCE	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 6,053,173	$ 6,484,339

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, 2023 and 2022

(in thousands)

	2023	2022
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	8,855	8,852
Capital assets net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in governmental fund	34,286,574	32,424,055
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	26,259,633	28,145,078
Deferred outflows from pension	51,423	1,551,404
Deferred outflows from OPEB	3,199,894	3,823,747
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	(108,138)	(93,865)
Accrued vacation and sick leave	(3,133,967)	(3,185,515)
Lease liability	(3,195,846)	(3,051,586)
Accrued judgments and claims	(449,547)	(382,078)
Employer pension obligations	(13,091,482)	(14,166,295)
Net OPEB liability	(31,652,929)	(29,427,659)
Deferred inflows from pension	(2,155,805)	(2,676,908)
Deferred inflows from OPEB	(10,018,665)	(12,969,230)
Net position - governmental activities	$ -	$ -

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, 2023 and 2022

(in thousands)

	General Fund	
	2023	2022
REVENUES:		
Federal aid	$ 4,047,827	$ 4,972,742
State aid	12,447,117	12,036,606
Other assistance	182,193	143,091
Charges for services:		
School Construction Authority	131,583	68,490
Rentals	33,786	29,004
Other	12,566	54,604
Subtotal	16,855,072	17,304,537
Net change in estimate of prior receivables	(117,153)	(114,604)
Subtotal	16,737,919	17,189,933
Funding provided by The City of New York	18,787,038	18,421,567
Total revenues	35,524,957	35,611,500
EXPENDITURES:		
General education instruction and school leadership	9,505,412	9,437,481
Special education instruction and school leadership	2,724,020	2,685,608
Charter schools	2,911,909	2,748,952
School support organization	328,733	323,953
Citywide education instruction and school leadership	1,345,094	1,290,284
Special education instructional support	667,719	608,260
School facilities	1,488,405	1,466,864
Pupil transportation	1,624,435	1,627,587
School food services	576,169	509,504
School safety	342,554	351,656
Energy and leases	763,199	751,864
Central administration	391,838	398,028
Fringe benefits	3,729,425	3,582,943
Pre-kindergarten contracts	783,474	688,869
Contract schools and foster care payments	1,430,286	1,309,439
Non-public schools	90,171	79,383
Reimbursable - categorical programs	2,775,807	3,134,287
Pensions	3,217,752	3,464,815
Other Post Employment Benefits (OPEB)	989,099	1,139,207
Leases	369,200	264,765
Intra-city sales	(84,793)	(80,427)
Subtotal	35,969,908	35,783,322
Net change in estimate of prior payables	(444,951)	(171,822)
Total expenditures	35,524,957	35,611,500
Excess of revenues over expenditures	-	-
FUND BALANCE	$ -	$ -

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, 2023 and 2022

(in thousands)

	2023	2022
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.	1,862,519	3,391,013
The net effect of various transactions with The City, and their effect on the amount reported as Due from The City of New York	(1,885,445)	(2,448,836)
Net change in inventory	3	(120)
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	(14,273)	(17,191)
Change in sick leave and vacation liability	51,548	236,794
Change in lease liability	(144,260)	(2,630,455)
Change in judgments and claims liability	(67,469)	(1,782)
Change in employer pension obligations and pension - related deferred outflows and inflows of resources	95,935	1,503,001
Change in other postemployment benefit obligations and other postemployment deferred outflows and inflows of resources	101,442	(32,424)
Change in net position - governmental activities	$ -	$ -

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)

	Adopted Budget	Modified Budget	Actual	Variance*
REVENUES:				
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	16,372,947	16,804,218	16,855,072	50,854
Net change in estimate of prior receivables	-	-	(117,153)	(117,153)
Subtotal	16,372,947	16,804,218	16,737,919	(66,299)
Funding provided by The City of New York	19,224,793	19,196,799	18,787,038	(409,761)
Total revenues	35,597,740	36,001,017	35,524,957	(476,060)
EXPENDITURES:				
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	31,021,689	31,424,966	31,393,857	31,109
Net change in estimate of prior payables	-	-	(444,951)	444,951
Subtotal	31,021,689	31,424,966	30,948,906	476,060
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	35,597,740	36,001,017	35,524,957	476,060
Excess of revenues over expenditures	-	-	-	-
FUND BALANCE	$ -	$ -	$ -	$ -

* 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, 2022

(in thousands)

	Adopted Budget	Modified Budget	Actual	Variance*
REVENUES:				
Federal aid	$ 5,077,671	$ 4,917,644	$ 4,972,742	$ 55,098
State aid	11,961,272	12,036,606	12,036,606	-
Other assistance	61,680	143,091	143,091	-
Charges for services:				
School Construction Authority	68,490	68,490	68,490	-
Rentals	36,500	60,626	29,004	(31,622)
Other	16,174	53,126	54,604	1,478
Subtotal	17,221,787	17,279,583	17,304,537	24,954
Net change in estimate of prior receivables	-	-	(114,604)	(114,604)
Subtotal	17,221,787	17,279,583	17,189,933	(89,650)
Funding provided by The City of New York	19,186,831	19,067,827	18,421,567	(646,260)
Total revenues	36,408,618	36,347,410	35,611,500	(735,910)
EXPENDITURES:				
General education instruction and school leadership	9,449,902	9,683,176	9,437,481	245,695
Special education instruction and school leadership	2,969,317	2,728,651	2,685,608	43,043
Charter schools	2,740,363	2,752,303	2,748,952	3,351
School support organization	297,826	281,780	323,953	(42,173)
Citywide education instruction and school leadership	1,332,634	1,337,857	1,290,284	47,573
Special education instructional support	707,766	659,669	608,260	51,409
School facilities	1,270,415	1,473,583	1,466,864	6,719
Pupil transportation	1,517,232	1,753,442	1,627,587	125,855
School food services	530,233	492,972	509,504	(16,532)
School safety	424,933	367,024	351,656	15,368
Energy and leases	694,844	729,990	751,864	(21,874)
Central administration	308,394	352,040	398,028	(45,988)
Fringe benefits	3,917,891	3,734,846	3,582,943	151,903
Pre-kindergarten contracts	882,706	723,559	688,869	34,690
Contract schools and foster care payments	1,129,927	1,120,974	1,309,439	(188,465)
Non-public schools	95,719	84,536	79,383	5,153
Reimbursable - categorical programs	3,295,308	3,286,240	3,134,287	151,953
Intra-city sales	(25,579)	(84,019)	(80,427)	(3,592)
Subtotal	31,539,831	31,478,623	30,914,535	564,088
Net change in estimate of prior payables	-	-	(171,822)	171,822
Subtotal	31,539,831	31,478,623	30,742,713	735,910
Pensions	3,464,815	3,464,815	3,464,815	-
Other Post Employment Benefits (OPEB)	1,139,207	1,139,207	1,139,207	-
Leases	264,765	264,765	264,765	-
Total expenditures	36,408,618	36,347,410	35,611,500	735,910
Excess of revenues over expenditures	-	-	-	-
FUND BALANCE	$ -	$ -	$ -	$ -

* 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, 2023 and 2022

(in thousands)

	Custodial Funds	
	2023	2022
ASSETS		
Cash and cash equivalents	$ 33,313	$ 32,606
Total assets	$ 33,313	$ 32,606
NET POSITION		
Restricted funds raised for student activities	$ 30,984	$ 30,043
Restricted for scholarship payments from the consolidated trust fund	1,963	1,943
Restricted for school lunch reimbursement	-	436
Restricted for school projects	366	184
Total net position	$ 33,313	$ 32,606

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, 2023 and 2022

(in thousands)

	Custodial Funds	
	2023	2022
ADDITIONS		
Interest income	$ 22	$ 1
School survey - deposits	62,775	44,761
Other deposits	377	1,861
Total additions	63,174	46,623
DEDUCTIONS		
Payment for school activities	61,791	43,622
Consolidated trust fund	3	4
Lunch reimbursement	633	86
Project payments	40	94
Total deductions	62,467	43,806
Net increase in fiduciary net position	707	2,817
NET POSITION		
Restricted for student activities and scholarships		
Beginning of year	32,606	29,789
End of year	$ 33,313	$ 32,606

See accompanying notes to financial statements.

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 $31.4 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 141,000 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 2023, the DOE adopted and/or acknowledged the following new standards issued by the *Governmental Accounting Standards*:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 99, *Omnibus 2022*

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

Statement No. 91, *Conduit Debt Obligations Public-Private and Public-Public Partnerships and availability,* establishes a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* provides new definitions and guidance for accounting and financial reporting for public-private, public-public partnerships ("PPPs") and availability payment arrangements ("APAs").

A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time, in an exchange or exchange-like transaction.

PPP arrangement between a transferor and an operator is one in which all the following criteria are met: 1) the transferor conveys to the operator the right and related obligation to provide public services through the use and operation of an underlying PPP asset in exchange for significant consideration. 2) the operator collects and is compensated by fees from third parties. 3) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services. 4) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

An APA is an arrangement in which a government compensates an operator for activities that may include designing, constructing, financing, maintaining, and operating an underlying nonfinancial asset for a period of time, in an exchange or exchange-like transaction.

In an APA, a government procures a capital asset or service, rather than receiving compensation to allow another entity to provide public services. Compensation consists of (a) fixed payments designed to compensate the operator for the design, construction, financing, operation, and maintenance of the asset and (b) variable payments to the operator based on whether measures related to availability have been met.

Statement No. 96, *Subscription-Based Information Technology Arrangements,* establishes guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for governments. The Statement is based on the principle that SBITAs are financings of the right to use another party's (a SBITA vendor's) information technology ("IT") software, alone or in combination with tangible capital assets (the underlying IT assets). It establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. Additionally, the Statement provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The new SBITA standard also requires enhanced disclosures which include a general description of a SBITA arrangement, the total amount of subscription assets and the related accumulated amortization, the amount of outflow of resources recognized from SBITA contracts that are not included in the measurement of the liability, and the disclosure of the long-term effect of SBITA arrangements on a government's resources.

Statement No. 99, *Omnibus 2022*, establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, PPPs, SBITAs, the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program ("SNAP") (formerly, food stamps), nonmonetary transactions, pledges of future revenues, the focus of government-wide financial statements, and terminology.

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
100	*Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*	2024
101	*Compensated Absences*	2025

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 - Total materials and donated commodities on hand as of June 30, 2023 and 2022 amounted to $8.9 million, 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 the years ended June 30, 2023, and 2022 totaled $57.2 million and $56.0 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, 2023, and 2022 totaled $57.1 million and $56.0 million, respectively, and are presented as a reduction in inventory is 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 thousand. 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, and 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 for 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 and $4.9 billion in fiscal years 2023 and 2022, respectively. 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 1,600 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, 2023 is $34.8 billion 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 $35.5 billion, 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):

		Amount
Total expenditures net of intra-city sales (from the statement of revenues, expenditures and changes in fund balance)	$	35,524,957
Add back intra-city sales (which are included in general revenue in statements of activities)		84,793
Inventory expense		(3)
Long-term liabilities per full accrual basis:		
Net change in pollution remediation obligations		14,273
Net change in sick leave and vacation balances		(51,548)
Net change in lease liability		(594,140)
Net change in judgments and claims		67,469
Net change in employer pension obligations and pension related deferred outflows and inflows of resources		(95,935)
Net change in other postemployment benefit obligations and other postemployment deferred outflows and inflows of resources		(101,442)
Total program expenses (from the statement of activities)	$	34,848,424

The total program expenses in the statement of activities for the year ended June 30, 2022 is $33.5 billion 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 $35.6 billion, 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):

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

		Amount
Total expenditures net of intra-city sales (from the statement of revenues, expenditures and changes in fund balance)	$	35,611,500
Add back intra-city sales (which are included in general revenue in statements of activities)		80,427
Inventory expense		120
Long-term liabilities per full accrual basis:		
Net change in pollution remediation obligations		17,191
Net change in sick leave and vacation balances		(236,794)
Net change in lease liability		(474,155)
Net change in judgments and claims		1,782
Net change in employer pension obligations and pension related deferred outflows and inflows of resources		(1,503,001)
Net change in other postemployment benefit obligations and other postemployment deferred outflows and inflows of resources		32,424
Total program expenses (from the statement of activities)	$	33,529,494

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 personal service expenditures and other than personal 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 personal service expenditures, line numbers further refine budget codes identifying specifically the titles funded. For other than personal 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% 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, 2023 (in thousands):

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

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

	Tax Levy	Reimbursable
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	109,080	-
Total Net Modifications	$ 345,792	$ 137,806

The following schedule summarizes budget modifications for the year ended June 30, 2022 (in thousands):

	Originally Adopted Budget	Net Modifications	Modified Budget
Tax-levy programs	$ 28,270,102	$ 6,299	$ 28,276,401
Reimbursable programs	3,295,308	(9,068)	3,286,240
Subtotal	31,565,410	(2,769)	31,562,641
Less: Intra-city sales	(25,579)	(58,439)	(84,018)
Total	$ 31,539,831	$ (61,208)	$ 31,478,623

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

	Tax Levy	Reimbursable
Intra-city purchases	$ 40,817	$ 17,623
November and January plan actions	247,151	192,831
Executive and adoption	(103,162)	(18,924)
Year-end closing actions	(265,638)	(200,598)
GASB No. 49 - Pollution remediation	87,131	-
Total net modifications	$ 6,299	$ (9,068)

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, 2023 and 2022 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, 2023, and 2022 (in thousands):

	2023	2022
Unrestricted and restricted cash:		
Unrestricted cash	$ 8,828	$ 7,110
Restricted cash	296,946	223,188
Total unrestricted and restricted cash	$ 305,774	$ 230,298

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% to 102% 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, 2023 and 2022 were as follows (in thousands):

Capital Assets	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
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	3,679,722	3,526,428	2,349,047	4,857,103
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	58,313,297	3,208,247	1,431,795	60,089,749
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	29,568,964	2,242,209	1,150,895	30,660,278
Net capital assets being depreciated/amortized	28,744,333	966,038	280,900	29,429,471
Total capital assets	$ 32,424,055	$ 4,492,466	$ 2,629,947	$ 34,286,574

Capital Assets	Balance June 30, 2021	*Adoption of GASB 87 July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets not being depreciated/amortized:					
Land and site improvement	$ 448,963	$ -	$ -	$ -	$ 448,963
Construction in progress	2,442,908	-	2,819,211	2,031,360	3,230,759
Total capital assets not being depreciated/amortized	2,891,871	-	2,819,211	2,031,360	3,679,722
Capital assets being depreciated/amortized:					
Building and additions*	50,992,895	(620,813)	2,048,442	-	52,420,524
Equipment (including software)	1,251,279	-	533,753	297,769	1,487,263
Lease assets*	-	4,145,256	264,765	4,511	4,405,510
Gross balance capital assets	52,244,174	3,524,443	2,846,960	302,280	58,313,297
Less accumulated depreciation/amortization:					
Building and additions*	25,283,551	(199,682)	1,887,334	995	26,970,208
Equipment (including software)	819,452	-	192,783	59,902	952,333
Lease assets*	-	1,370,961	279,973	4,511	1,646,423
Total accumulated depreciation/amortization	26,103,003	1,171,279	2,360,090	65,408	29,568,964
Net capital assets being depreciated/amortized	26,141,171	2,353,164	486,870	236,872	28,744,333
Total capital assets	$ 29,033,042	$ 2,353,164	$ 3,306,081	$ 2,268,232	$ 32,424,055

The following is a summary of the amount of lease assets by major classes of underlying assets for the Fiscal Years ended June 30, 2023 and 2022.

	Lease Asset 2023 (in thousands)	Lease Asset 2022 (in thousands)
Lease Asset:		
Lease land	$ 4,539	$ 3,796
Less accumulated amortization	744	1,808
Lease land, net	3,795	1,988
Lease building	3,639,382	4,394,127
Less accumulated amortization	555,846	1,642,236
Lease buildings, net	3,083,536	2,751,891
Lease equipment	3,004	3,004
Less accumulated amortization	2,494	992
Lease equipment, net	510	2,012
Lease infrastructure	4,474	4,583
Less accumulated amortization	700	1,387
Lease infrastructure, net	3,774	3,196
Total lease asset	$ 3,091,615	$ 2,759,087

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 $18.25 billion.

For Fiscal Year 2023 the authority transferred to the DOE the cost associated with construction work in progress and administrative cost totaling $2,225,044, 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, in Fiscal Year 2023. The DOE also increased its construction work in progress balance by $3.5 billion for new capital project cost incurred by the SCA on behalf of the DOE for projects which have not yet been completed.

For Fiscal Year 2022 the authority transferred to the DOE the cost associated with construction work in progress and administrative cost totaling $1,965,000, 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, in Fiscal Year 2022. The DOE also increased its construction work in progress balance by $2.8 billion for new capital project cost 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 DOEs 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 2023. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

As of June 30, 2023, 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):

	Liability Beginning Balance	Total Principal	Total Interest	Total Payment	Liability Ending Balance
Fiscal year ending June 30:					
2024	$ 3,195,846	$ 228,792	$ 86,437	$ 315,229	$ 2,967,054
2025	2,967,054	224,513	80,152	304,665	2,742,541
2026	2,742,541	216,062	74,049	290,111	2,526,479
2027	2,526,479	208,103	68,246	276,349	2,318,376
2028	2,318,376	202,969	62,550	265,519	2,115,407
2029-2033	2,115,407	963,883	230,259	1,194,141	1,151,524
2034-2038	1,151,524	610,891	116,315	727,205	540,633
2039-2043	540,633	238,923	59,608	298,531	301,710
2044-2048	301,710	120,271	36,510	156,781	181,439
2049-2053	181,439	74,063	20,900	94,964	107,376
2054-2058	107,376	49,884	12,140	62,025	57,492
2059-2063	57,492	35,651	6,017	41,669	21,841
2064-2068	21,841	18,357	1,205	19,562	3,484
2069-2073	3,484	272	503	775	3,212
2074-2078	3,212	316	459	775	2,896
2079-2083	2,896	367	408	775	2,529
2084-2088	2,529	427	349	775	2,102
2089-2093	2,102	496	280	775	1,606
2094-2098	1,606	576	199	775	1,030
2099-2103	1,030	669	106	775	361
2104-2108	361	361	14	375	-
	Lease liability:	$ 3,195,846			

As of June 30, 2023, 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, 2023 and 2022, summarized by obligating event and pollution type, respectively, were as follows (in thousands):

	2023		2022	
Obligating Event	**Amount**	**Percentage**	**Amount**	**Percentage**
Voluntary commencement	$ 108,138	100.00	$ 93,865	100.00
Total	$ 108,138	100.00	$ 93,865	100.00
Pollution Type	**Amount**	**Percentage**	**Amount**	**Percentage**
Asbestos removal	$ 101,217	94.00	$ 86,517	92.00
Lead paint removal	1,877	2.00	821	1.00
Soil remediation	1,161	1.00	2,274	2.00
Other	3,883	3.00	4,253	5.00
Total	$ 108,138	100.00	$ 93,865	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, 2023 and 2022 were as follows (in thousands):

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year
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	29,427,659	3,838,222	1,612,952	31,652,929	-
Total	$ 50,306,998	$ 8,740,878	$ 7,415,967	$ 51,631,909	$ 1,100,123

	Balance June 30, 2021	*Adoption of GASB 87 July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due within One Year
Pollution remediation	$ 76,674	$ -	$ 104,305	$ 87,114	$ 93,865	$ 84,479
Accrued vacation and sick leave	3,422,309	-	-	236,794	3,185,515	236,794
Lease liability*	421,131	2,575,080	264,765	209,390	3,051,586	210,908
Accrued judgments and claims	380,296	-	103,702	101,920	382,078	106,986
Net pension liability/(asset)	(1,137,314)	-	18,768,424	3,464,815	14,166,295	-
Net OPEB liability	38,982,221	-	1,171,631	10,726,193	29,427,659	-
Total	$ 42,145,317	$ 2,575,080	$ 20,412,827	$ 14,826,226	$ 50,306,998	$ 639,167

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 2023 and 2022 were $69.9 million and $59.9 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 NYC Department of Education's Chief Administrative 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

In Fiscal Year 2022, the Office of the New York City Actuary ("OA") began preparing a DOE specific OPEB Report in accordance with GASB 74 and 75. This report presented the DOE's proportionate share of The City's OPEB liability and deferred outflows and inflows from OPEB. The OA identified, DOE's active, terminated vested, and retired members, and then determined their liabilities in the OA's valuation program. These liabilities were 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 remain 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):

	2023	2022
Beginning balance at June 30,	$ 29,427,659	$ 38,982,221
Changes for the year:		
Service cost	1,273,035	2,144,077
Interest	1,286,672	917,052
Difference between expected and actual experience	107,229	(1,208,789)
Change of assumption	597,519	(10,266,759)
Contribution - employer	(989,099)	(1,139,207)
Net investment income	(50,162)	(1,011)
Administrative expenses	18	18
Other changes	58	57
Net changes	2,225,270	(9,554,562)
Net ending balance at June 30,	$ 31,652,929	$ 29,427,659

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate	
a. 1% Decrease	$ 36,603,439
b. 1% Increase	$ 27,616,108
Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate	
a. 1% Decrease	$ 26,509,672
b. 1% Increase	$ 38,297,176

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):

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
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	53,886	199
Total	$ 3,199,894	$ 10,018,665

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,082,445	$ 2,474,154
Changes in assumptions	1,654,352	10,495,076
Net difference between projected and actual earning on OPEB Plan Investments	86,950	-
Total	$ 3,823,747	$ 12,969,230

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 2023 and 2022.

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):

2024	$ (1,143,183)
2025	(1,404,044)
2026	(1,582,336)
2027	(1,443,719)
2028	(1,353,835)
Thereafter	99,400

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 2023 OPEB valuation of the Plan areas follows:

Valuation Date..................... June 30, 2022

Measurement Date.............. June 30, 2023

Discount Rate .... 4.13% for benefits provided by The City and Component Units. Results as of the June 30, 2022 Measurement Date are presented at 4.09% for benefits provided by The City, and Component Units.

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.

For the prior year, the projection of cash flows used to determine the discount rate assumed that The City will contribute at a rate equal to the pay-as-you-go amounts. It is assumed that The City will not make additional contributions in excess of the pay-as-you-go amounts, which is unchanged from the prior valuation. The contributions apply first to service cost of future plan members based on projection of overall payroll at 3.0% and normal cost rate for Tier 6 members of each of the NYCRS. Remaining contributions are applied to the current and past service costs for current plan members.

Based on those assumptions, The City's OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees until 2029. After that time, benefit payments will be funded on a pay-as-you go basis. The discount rate is the single equivalent rate which results in the same present value as discounting future benefit payments made from assets at the long-term expected rate of return and discounting future benefit payments funded on a pay-as-you-go basis at the Municipal Bond 20-year Index Rate. This projection resulted in no difference between the Municipal Bond 20-Year Index Rate and the blended discount rate.

The long-term expected rate of return of 4.00%, net of expenses, includes an inflation rate of 2.50%.

Results for the OPEB plans for Component Units are presented using a discount rate of the Municipal Bond 20-year Index Rate, since there is no pre-funding assumed for these plans.

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

Per-Capita Claims Costs...... EBCBS and 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 valuation are shown below:

	Monthly Costs @ Average Age	
Plan	**Fiscal Year 2023**	**Fiscal Year 2022**
HIP HMO		
Non-Medicare Single	$ 871.42	$ 819.68
Non-Medicare Family	2,134.99	2,008.22
Medicare	199.62	199.47
GHI/EBCBS		
Non-Medicare Single	917.92	854.44
Non-Medicare Family	2,409.11	2,242.05
Medicare	201.59	201.80
Other HMOs (i)		
Non-Medicare Single	1,302.87	1,242.93
Non-Medicare Family	3,567.29	3,440.67
Medicare Single	311.73	291.71
Medicare Family	620.28	580.41

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:

	Monthly Costs @ Average Age 65	
Plan	**Fiscal Year 2023**	**Fiscal Year 2022**
HIPHMO		
Non-Medicare	$ 1,844.10	$ 1,734.61
Medicare	199.62	190.47
GHI/EBCBS		
Non-Medicare	1,970.02	1,833.91
Medicare	192.11	192.08
Other HMOs	Varies by system	

The normative database used to adjust premium values to age 65 per capita cost was updated since the prior valuation.

Claims data was generally not provided to the OA for the HIP coverage or for Other HMOs. New York City Office of Labor Relations (“OLR”) provided a copy of the claims component of the Fiscal Year 2023 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 Year 2023 valuation assumed the prior year's rate of $190.47 with trend given the assumption that the MA plan will not be implemented during Fiscal Year 2024.

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.

Welfare Funds............................The Welfare Fund contribution reported as of the measurement date, June 30, 2023, (including any reported retroactive amounts) was trended back to the valuation date, June 30, 2022, using the Welfare trend assumption and used as the per capita cost for valuation purposes.

Reported annual contribution amounts for the last three years are shown in the Fiscal Year 2023 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 for the past 2 years.

	Fiscal Year 2023	Fiscal Year 2022
NYCERS	$ 1,867	$ 1,858
TRS	1,763	1,763
BERS	1,906	1,907

Medicare Part B Premiums........

Calendar Year	Month Premium
2018	125.85
2019	134.43
2020	143.21
2021	146.97
2022	167.82
2023	164.90

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2023. Due to limited cost-of-living adjustment in past Social Security benefits, some Medicare Part B participants were not charged the Medicare Part B premium originally projected or ultimately announced for those years. The portion of Medicare Part B participants protected by the hold-harmless provision however decreased from 3.5% in 2022 to 1.5% in 2023. The prior valuation used a blended estimate as a better representation of future Part B premium costs, while the current valuation assumes the full Part B premium amount.

The Calendar Year (CY) 2022 monthly premium of $167.82 was determined using 3.5% of the $104.90 hold-harmless amount and 96.5% of the $170.10 rate that was in effect for CY 2022. For CY 2023, no participants were assumed to be protected by the hold-harmless provision and the monthly premium of $164.90 was set equal to the CY 2023 announced amount. For the Fiscal Year 2023 OPEB valuation the annual premium used was $1,996.32, which is equal to 12 times an average of the CY 2022 and 2023 monthly premiums above.

An additional 11.4% 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% of Medicare participants are assumed to claim reimbursement; based on historical data.

Health Care Cost Trend Rate ("HCCTR")................................

Year Ending	Pre-Medicare Plans	Medicare Plans	Medicare Part B Premium	Welfare Fund Contributions
2023	7.00	4.80	5.00	3.50
2024	7.00	4.80	5.00	3.50
2025	7.00	4.70	5.00	3.50
2026	6.75	4.70	5.00	3.50
2027	6.50	4.60	5.00	3.50
2028	6.25	4.60	5.00	3.50
2029	6.00	4.50	5.00	3.50
2030	5.75	4.50	5.00	3.50
2031	5.50	4.50	5.00	3.50
2032	5.25	4.50	5.00	3.50
2033	5.00	4.50	5.00	3.50
2034	4.74	4.50	5.00	3.50
2035 and later	4.50	4.50	5.00	3.50

(1) We are no longer using a blended first year trend in order to reduce volatility

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. The pre-Medicare trend has been updated for the Fiscal Year 2023 valuation.

In recent years Medicare Part B premium increases have averaged between 4% and 6%, 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. While the Medicare trustees project the Part B premium to increase 6% for 2024, beyond that point they expect the increases to average 6.3% out to 2032. These increases do not account for the hold harmless provision which may mitigate them somewhat.

Historical negotiated increase rates for the larger Welfare Funds have averaged below 2% 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%.

Age- and Gender-Related Morbidity .... The premiums are age- and gender-adjusted for HIP, GHI/EBCBS, 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:

Age	Male	Female	Age	Male	Female
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:

Age	Male	Female	Age	Male	Female
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% and 2.0% 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% and 3.0% in the GHI and ECBS portion of the monthly premium, respectively.

The non-Medicare GHI portion is $429.67 out of $917.92 for single coverage, and $1,139.67 out of $2,409.11 for family coverage for Fiscal Year 2023 rates. The

Non-Medicare EBCBS portion is the remainder of the premiums. The Medicare GHI portion is $105.46 out of the $201.59 for Fiscal Year 2023 rates. The EBCBS portion is the remainder of the premium.

Participation Rates .... Plan participation assumptions have been updated since the prior valuation to reflect more recent experience.

Actual elections are used for current retirees. Some current retirees not eligible for Medicare are assumed to change elections upon attaining age 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 (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, therefore, valued similarly, are as follows.

NYCRS Group	Fiscal Year 2023	Fiscal Year 2022
NYCERS	13%	13%
TRS	13%	13%
BERS	15%	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			
Pre-Medicare	**NYCERS**	**TRS**	**BERS**
GHI/EBCBS	75%	83%	70%
HIP HMO	18	6	16
Other HMO	2	1	2
Waiver	5	10	12
Medicare			
GHI	75	89	80
HIP HMO	16	5	13
Other HMO	5	2	2
Waiver	4	4	5
Post-Medicare Migration			
HIP HMO to GHI	-	20	20
HIP HMO to Other HMO	10	-	-
Pre-Med. Waiver			
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.

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.

Child Dependents - Child dependents of current retirees are assumed to receive coverage until 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.

NYCRS Group	Fiscal Year 2023	Fiscal Year 2022
NYCERS	8 years	8 years
TRS	7 years	7 years
BERS	7 years	7 years

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

Dependent Coverage Assumptions

Group	NYCERS	TRS	BERS
Male			
Single Coverage	35%	45%	44%
Spouse	35	30	40
Child/No Spouse	8	5	4
Spouse and Child	22	20	12
	100%	100%	100%
Female			
Single Coverage	67%	57%	60%
Spouse	22	30	35
Child/No Spouse	7	5	2.5
Spouse and Child	4	8	2.5
Total	100%	100%	100%

Note: For Line-of- duty, 97% are assumed to have single coverage in Fiscal Year 2023.

Demographic Assumption .... The actuarial assumptions used in the Fiscal Year 2023 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% 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% 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 $1,550 was assumed for terminations during Fiscal Year 2023. 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% load is applied to The City's obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund which is a 0.1% increase from the Fiscal Year 2022 OPEB valuation. The load is not applicable to Component Units.

This amount is based on the historical five-year average allocation between active and retired participants in the Fiscal Years 2019 through 2023 Stabilization Fund benefits provided by OLR. 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 benefits.

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% for members represented by the United Federation of Teachers and 8.25% 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, 2021 actuarial valuation was used for determining the Fiscal Year 2023 statutory contributions. Statutory contributions are determined annuallyto 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 2023 and 2022 and the amount of The City's contribution to each QPP for such Fiscal Years are as follows (in millions):

Annual Pension Costs	**Aggregate Statutory Contribution 2023**	**Aggregate Statutory Contribution 2022**
TRS	$ 3,086	$ 3,304
BERS	234	262
Total	$ 3,320	$ 3,566

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% 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% 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% and 6.0% 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, 2023 and 2022 were as follows (in thousands):

	TRS - Net Pension (Asset) Liability		BERS - Net Pension (Asset) Liability	
	2023	**2022**	**2023**	**2022**
Balance at June 30	$ 14,046,596	$ 67,991	$ 119,699	$ (1,205,305)
Service cost	1,579,518	1,553,088	169,092	172,601
Interest	5,735,211	3,694,152	414,578	376,440
Change of benefit terms	-	13,483	-	15,261
Difference between expected and actual experience	148,346	(284,440)	(23,336)	(35,034)
Contribution - employer	(2,937,673)	(3,154,514)	(225,133)	(252,456)
Contribution - other employer	(54,945)	(57,844)	-	-
Contribution - employees	(278,408)	(261,319)	(48,016)	(47,711)
Net investment income	(7,467,150)	10,363,425	(651,738)	773,197
Payment of interest on TDA fixed funds	2,152,953	2,043,913	194,109	183,811
Administrative expenses	70,236	68,260	35,394	34,218
Other changes	69,135	435	85,504	119,480
Net changes	(982,777)	13,978,639	(49,546)	1,339,807
Subtotal at June 30	13,063,819	14,046,630	70,153	134,502
Change in proportionate share	(42,725)	(34)	235	(14,803)
Net balance at June 30	$ 13,021,094	$ 14,046,596	$ 70,388	$ 119,699

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):

	June 30, 2023		June 30, 2022	
	TRS	**BERS**	**TRS**	**BERS**
DOE's proportionate share of the net pension (asset) liability	95.2%	96.4%	95.5%	96.2%
DOE's proportionate share of the net pension (asset) liability	$ 13,021,094	$ 70,388	$ 14,046,596	$ 119,699

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, 2023 and 2022 for each QPP were as follows (in thousands):

	2023		2022	
	TRS	BERS	TRS	BERS
Difference between expected and actual experience	$ 1,369,701	$ 52,859	$ 1,877,815	$ 71,473
Change of assumptions	489,101	47,513	631,045	98,672
Net difference between projected and actual earning on pension plan investment	141,182	63,633	-	-
Change in proportion and differences between employer contribution and proportion share of contribution	(8,968)	784	(2,787)	690
Deferred inflows of resources	$ 1,991,016	$ 164,789	$ 2,506,073	$ 170,835

Deferred outflows of resources by source reported by the DOE at June 30, 2023 and 2022 for each QPP were as follows (in thousands):

	2023		2022	
	TRS	BERS	TRS	BERS
Difference between expected and actual experience	$ 156,037	$ 40,605	$ 160,448	$ 71,558
Net difference between projected and actual earnings on pension plan investments	-	-	1,352,727	78,855
Changes in proportion and differences between employer contribution and proportionate share of contributions	(145,440)	221	(112,295)	111
Deferred outflows of resources	$ 10,597	$ 40,826	$ 1,400,880	$ 150,524

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2023 will be recognized as pension expenses as follows (in thousands):

Year ending June 30:	TRS	BERS
2024	$ (1,598,895)	(146,343)
2025	(1,534,290)	(110,269)
2026	2,008,546	193,234
2027	(699,244)	(63,480)
2028	(108,357)	(1,153)
Thereafter	(4,863)	-
Total	$ (1,937,103)	$ (128,011)

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, 2023, and 2022 were as follows (in thousands):

	2023		
	TRS	**BERS**	**Total**
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)	515,057	6,046	521,103
Net pension liability at June 30, 2023	$ 13,021,094	$ 70,388	$ 13,091,482

	2022		
	TRS	**BERS**	**Total**
Net pension liability at June 30, 2021	$ 67,991	$ (1,205,305)	$ (1,137,314)
Employer contribution	(3,154,515)	(252,456)	(3,406,971)
Other employer contribution	(57,844)	-	(57,844)
Pension expense	1,735,617	226,197	1,961,814
Deferred outflows of resources (net)	1,221,333	52,097	1,273,430
Deferred inflows from pension (net)	14,234,014	1,299,166	15,533,180
Net pension liability at June 30, 2022	$ 14,046,596	$ 119,699	$ 14,166,295

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

Like The City, the DOE has been severely affected by the coronavirus disease, referred to herein as "COVID-19." A state of emergency remained in effect for The City during the 2023 fiscal year; however, on August 18, 2023, The City's state of emergency officially expired.

Although restrictions have been partially lifted for schools, the DOE continued to experience significant challenges due to COVID-19 through Fiscal Year 2023. The pandemic and economic disruption resulting from measures to contain it continue to impact projected revenues. The ultimate impact of the COVID-19 pandemic on The City's economy and the amount and timing of collections of DOE revenues cannot be determined at this time. Because of variables like continuing fluctuations in student enrollment, the influx of children of asylum seekers, and The City's Fiscal Year 2024 funding constraints, no assurance can be provided that ongoing economic disruption will not adversely impact revenues to The City and DOE.

The DOE has been awarded various federal funds to help respond to the pandemic and the resulting economic disruption. While The City has budgeted for and expects additional revenue from these federal sources, for the fiscal year ending June 2023, the DOE has earned approximately:

Fiscal Year 2023 COVID-19 Revenue:

Elementary and Secondary School Emergency Relief Fund (ESSR)/ Governor's Emergency Education Relief Fund (GEER):

- $643.4M – Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act
- $1,282.6M – American Rescue Plan Act (ARPA)
- $16.7M – Coronavirus Aid, Relief, and Economic Security (CARES) Act

Other Federal Funds:

- $6.8M – COVID Head Start
- $4.8M – American Rescue Plan Act - Fiscal Recovery Fund (ARPA - FRF)

State COVID Support:

- $20.6M – Healthcare Workers Bonus

ANNUAL FINANCIAL STATEMENTS

Department of Education of The City of New York

For the Fiscal Years Ended June 30, 2023 and 2022

Required Supplementary Information

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Schedule of the Net OPEB Liability as of June 30, 2023 and 2022 (Unaudited) (in thousands):

Schedule of the Net OPEB Liability	2023	2022
Total OPEB Liability		
Service Cost	$ 1,273,035	$ 2,144,077
Interest	1,286,672	917,053
Differences between Expected and Actual Experience	107,229	(1,208,790)
Changes in Assumptions	597,519	(10,266,759)
Benefit Payments	(1,151,805)	(1,113,898)
Net Changes in Total OPEB Liability	**$ 2,112,650**	**$ (9,528,317)**
Total OPEB Liability - Beginning	**$ 30,756,082**	**$ 40,284,399**
Total OPEB Liability - Ending	**$ 32,868,732**	**$ 30,756,082**
Plan Fiduciary Net Position		
Contributions - Employer	$ 989,099	$ 1,139,207
Net Investment Income	50,162	1,011
Benefit Payments	(1,151,805)	(1,113,898)
Administrative Expenses	(18)	(18)
Other Changes	(58)	(57)
Net Changes in Plan Fiduciary Net Position	**$ (112,620)**	**$ 26,245**
Plan Fiduciary Net Position - Beginning	**$ 1,328,423**	**$ 1,302,178**
Plan Fiduciary Net Position - Ending	**$ 1,215,803**	**$ 1,328,423**
Net OPEB Liability	**$ 31,652,929**	**$ 29,427,659**

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, 2023 and 2022 (Unaudited) (in thousands):

	TRS		BERS	
	2023	2022	2023	2022
DOE's proportion of the net pension liability	95.2%	95.5%	96.4%	96.2%
DOE's proportionate share of the net pension liability	$ 13,021,094	$ 14,046,596	$ 70,388	$ 119,699
DOE's covered-employee payroll	$ 11,825,124	$ 11,469,453	$ 1,427,145	$ 1,484,264
DOE's proportionate share of the net pension liability as a percentage of its covered-employee payroll	115.7%	128.2%	5.1%	8.4%

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

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

(in thousands)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TRS										
Contractually required contribution	$ 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	$ 2,917,129
Contributions in relation to the contractually required contribution	$ 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	$ 2,917,129
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	$ 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	$ 7,772,827
Contributions as a percentage of covered-employee payroll	26.06%	28.79%	27.94%	32.99%	35.56%	42.18%	44.07%	44.71%	40.42%	37.53%
BERS										
Contractually required contribution	$ 233,452	$ 262,279	$ 182,855	$ 257,367	$ 269,594	$ 318,540	$ 288,116	$ 265,497	$ 258,055	$ 214,574
Contributions in relation to the contractually required contribution	$ 233,452	$ 262,279	$ 182,855	$ 257,367	$ 269,594	$ 318,540	$ 288,116	$ 265,497	$ 258,055	$ 214,574
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	$ 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	$ 988,757
Contributions as a percentage of covered-employee payroll	16.36%	17.68%	12.39%	19.03%	21.34%	28.92%	27.40%	26.35%	25.39%	21.70%

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 contributions were 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	2024	2023	2022	2021	2020
Valuation Dates	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial cost method[1]	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	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2010 ERI	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)
2011 (G)/L	4 Years (Closed)	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)
2012 (G)/L	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)
2013 (G)/L	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)
2013 Transit Refunds	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)
2014 (G)/L	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)
2014 Assumption Change	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)
2015 (G)/L	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
2016 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2017 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2017 Assumption Change	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)
2017 Method Change	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)
2018 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2019 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2019 Assumption Change	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2019 Method Change	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2020 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2021 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2022 (G)/L	15 Years (Closed)	NA	NA	NA	NA
Actuarial Asset Valuation Method[2]	5-year moving average of Market Value	5-year moving average of Market Value	5-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value
Actuarial assumptions:					
Assumed rate of return[3]	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[4]	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

1 Beginning with the June 30, 2010 (Lag) actuarial valuation under the 2012 A&M, 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.

2 Market Value Restart as of June 30, 2019. Previously, Market Value Restart as of June 30, 2011. The June 30, 2010 AVA is derived as equal to the June 30, 2011 Market Value of Assets, discounted by the Actuarial Interest Rate assumption (adjusted for cash flow) to June 30, 2010. Beginning with June 30, 2014, 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 contributions were 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	2019	2018	2017	2016	2015
Valuation Dates	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Actuarial cost method[1]	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	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)
2010 ERI	0 Year (Closed)	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)	3 Years (Closed)
2011 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2012 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2013 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2013 Transit Refunds	1 Years (Closed)	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)
2014 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2014 Assumption Change	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2015 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2016 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2017 (G)/L	15 Years (Closed)	NA	NA	NA	NA
2017 Assumption Change	20 Years (Closed)	NA	NA	NA	NA
2017 Method Change	20 Years (Closed)	NA	NA	NA	NA
2018 (G)/L	NA	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
Actuarial Asset Valuation Method2	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value	6-year moving average of Market Value
Actuarial assumptions:					
Assumed rate of return3	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 mortality4	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	Tables adopted by Board of Trustees during Fiscal Year 2012

1 Beginning with the June 30, 2010 (Lag) actuarial valuation under the 2012 A&M, 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.

2 Market Value Restart as of June 30, 2019. Previously, Market Value Restart as of June 30, 2011. The June 30, 2010 AVA is derived as equal to the June 30, 2011 Market Value of Assets, discounted by the Actuarial Interest Rate assumption (adjusted for cash flow) to June 30, 2010. Beginning with June 30, 2014, the AVA is constrained to be no more than 20% from the Market Value of Assets.

Fiscal Year	2024	2023	2022	2021	2020
Active service: withdrawal, death disability, service retirement[4]	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[3]	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[3]	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

[3] Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

[4] 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.

Fiscal Year	**2019**	**2018**	**2017**	**2016**	**2015**
Active service: withdrawal, death disability, service retirement[4]	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 Boards of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012
Salary Increases[3]	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[3]	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

[3] Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per year.

[4] 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, 2023 and 2022

Supplemental Schedules

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 2019 through Fiscal Year 2023, as of June 30, 2023. 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, 2023
With Comparative Totals as of June 30, 2022

(in thousands)

Budget Fiscal Year (BFY)	Federal Categorical Grants	State Aid and Categorical Grants	Non-Governmental Grants	Total Receivables as of June 30, 2023	Total Receivables as of June 30, 2022
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
TOTAL RECEIVABLES	$ 3,156,279	$ 2,448,995	$ 142,125	$ 5,747,399	$ 6,254,041

General Fund
Schedule of Aged Receivables as of June 30, 2022
With Comparative Totals as of June 30, 2021
(in thousands)

BFY	Federal Categorical Grants	State Aid and Categorical Grants	Non-Governmental Grants	Total Receivables as of June 30, 2022	Total Receivables as of June 30, 2021
FISCAL YEAR 2022	$ 3,923,660	$ 1,740,197	$ 79,244	$ 5,743,101	$ -
FISCAL YEAR 2021	47,040	313,678	30,081	390,799	3,447,577
FISCAL YEAR 2020	-	106,112	5,832	111,944	657,527
FISCAL YEAR 2019	-	8,197	-	8,197	84,541
FISCAL YEAR 2018	-	-	-	-	1,881
TOTAL RECEIVABLES	$ 3,970,700	$ 2,168,184	$ 115,157	$ 6,254,041	$ 4,191,526

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	7,821,630	7,821,222	408
	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	2,340,105	2,168,908	171,197
	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	2,911,909	2,911,909	-
	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	1,675,810	1,684,190	(8,380)
	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	583,833	555,112	28,721

(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):

	UOA	Modified Budget	Expenditures	Variance
	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	23,743	18,439	5,304
	Total	290,020	328,733	(38,713)
	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	10,636	8,859	1,777
	Total	1,349,193	1,345,094	4,099
	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	271,896	271,266	630
	Total	677,017	667,719	9,298
	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	109,080	109,080	-
	Total	1,474,598	1,488,405	(13,807)

(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):

	UOA	Modified Budget	Expenditures	Variance
	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	1,688,918	1,615,405	73,513
	Total	1,703,434	1,624,435	78,999
	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	15,778	32,600	(16,822)
	Total	624,532	576,169	48,363
442	SCHOOL SAFETY	345,901	342,554	3,347
444	ENERGY AND LEASES	761,654	763,199	(1,545)
	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	46	166	(120)
	Total	399,750	391,838	7,912
461	FRINGE BENEFITS	3,682,190	3,729,425	(47,235)
	PRE-KINDERGARTEN:			
470	CONTRACTS	799,316	783,474	15,842

(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):

	UOA	Modified Budget	Expenditures	Variance
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

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund
Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2022
(in thousands):

	UOA	Modified Budget	Expenditures	Variance
	GENERAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:			
401	Salaries	$ 7,215,047	$ 6,939,488	$ 275,559
402	Supplies	217,356	196,935	20,421
402	Furniture and equipment	168,672	143,334	25,338
402	Textbooks	97,837	53,263	44,574
402	Contractual services	462,739	549,248	(86,509)
	Total	8,161,651	7,882,268	279,383
	SPECIAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:			
403	Salaries	2,158,419	2,102,002	56,417
404	Supplies	3,572	3,739	(167)
404	Furniture and equipment	2,934	1,981	953
404	Textbooks	347	5	342
404	Contractual services	2,606	2,326	280
	Total	2,167,878	2,110,053	57,825
	CHARTER SCHOOLS:			
406	Supplies	2,019	2,542	(523)
406	Textbooks	8,692	6,740	1,952
406	Contractual services	2,741,592	2,739,670	1,922
	Total	2,752,303	2,748,952	3,351
	UNIVERSAL PRE-K:			
407	Salaries	735,715	734,565	1,150
408	Supplies	11,833	17,710	(5,877)
408	Furniture and equipment	6,695	1,639	5,056
408	Textbooks	344	136	208
408	Contractual services	766,938	801,163	(34,225)
	Total	1,521,525	1,555,213	(33,688)
	EARLY CHILDHOOD PROGRAMS:			
409	Salaries	80,577	68,986	11,591
410	Supplies	7,795	618	7,177
410	Furniture and equipment	81	25	56
410	Textbooks	54	-	54
410	Contractual services	472,267	505,927	(33,660)
	Total	560,774	575,556	(14,782)

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund
Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2022 (in thousands):

	UOA	Modified Budget	Expenditures	Variance
	SCHOOL SUPPORT ORGANIZATION:			
415	Salaries	$ 258,471	$ 308,963	$ (50,492)
416	Supplies	498	2,527	(2,029)
416	Furniture and equipment	1,069	1,848	(779)
416	Textbooks	20	189	(169)
416	Contractual services	21,721	10,427	11,294
	Total	281,779	323,954	(42,175)
	CITYWIDE EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:			
421	Salaries	1,311,620	1,266,524	45,096
422	Supplies	8,679	7,283	1,396
422	Furniture and equipment	8,667	10,160	(1,493)
422	Textbooks	1,205	751	454
422	Contractual services	7,686	5,566	2,120
	Total	1,337,857	1,290,284	47,573
	INSTRUCTIONAL SUPPORT:			
423	Salaries	394,766	378,913	15,853
424	Supplies	1,993	1,884	109
424	Furniture and equipment	5,853	1,658	4,195
424	Contractual services	257,057	225,804	31,253
	Total	659,669	608,259	51,410
	SCHOOL FACILITIES:			
435	Salaries	179,740	172,803	6,937
436	Supplies	148,174	128,945	19,229
436	Furniture and equipment	4,860	4,640	220
436	Contractual services	1,053,679	1,073,346	(19,667)
436	Judgments and claims	-	-	-
436	Pollution remediation	87,131	87,131	-
	Total	1,473,584	1,466,865	6,719

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund
Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2022 (in thousands):

	UOA	Modified Budget	Expenditures	Variance
	PUPIL TRANSPORTATION:			
438	Supplies	$ 3,039	$ 495	$ 2,544
438	Equipment	2,648	151	2,497
438	Contractual services	8,829	14,912	(6,083)
438	Pupil transportation	1,738,925	1,612,028	126,897
	Total	1,753,441	1,627,586	125,855
	SCHOOL FOOD SERVICES:			
439	Salaries	257,881	220,415	37,466
440	Supplies	27,879	24,791	3,088
440	Food purchases	187,640	235,330	(47,690)
440	Furniture and equipment	3,813	4,942	(1,129)
440	Contractual services	15,759	24,027	(8,268)
	Total	492,972	509,505	(16,533)
442	SCHOOL SAFETY	367,024	351,656	15,368
444	ENERGY AND LEASES	729,990	751,864	(21,874)
	CENTRAL ADMINISTRATION:			
453	Salaries	189,223	243,398	(54,175)
454	Supplies	45,286	37,732	7,554
454	Furniture and equipment	2,101	3,613	(1,512)
454	Judgments and claims	98	6,799	(6,701)
454	Contractual services	115,286	105,720	9,566
454	Fixed charges	46	767	(721)
	Total	352,040	398,029	(45,989)
461	FRINGE BENEFITS	3,734,846	3,582,943	151,903
	PRE-KINDERGARTEN:			
470	CONTRACTS	5,000	5,000	-
470	CONTRACTS	718,559	683,869	34,690
		723,559	688,869	34,690

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund
Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2022 (in thousands):

	UOA	Modified Budget	Expenditures	Variance
472	CONTRACT SCHOOLS AND FOSTER CARE	$ 1,120,974	$ 1,309,439	$ (188,465)
474	NON-PUBLIC SCHOOLS AND FIT PAYMENTS	84,536	79,383	5,153
	TOTAL TAX LEVY	28,276,402	27,860,678	415,724
	CATEGORICAL PROGRAMS:			
481	Salaries	1,487,838	1,342,797	145,041
482	Supplies	742,244	670,385	71,859
482	Furniture and equipment	68,616	71,688	(3,072)
482	Contractual	852,502	915,855	(63,353)
482	Pension	135,040	133,562	1,478
	Total categorical programs	3,286,240	3,134,287	151,953
	TOTAL APPROPRIATIONS EXPENDED	31,562,642	30,994,965	567,677
	INTRA-CITY SALES	(84,019)	(80,427)	(3,592)
	Sub-total	31,478,623	30,914,538	564,085
	NET CHANGE IN PRIOR PAYABLES	-	(171,822)	171,822
	PROPORTIONATE SHARE OF PENSIONS, OPEB AND LEASES:			
	Pensions	3,464,815	3,464,815	-
	OPEB	1,139,207	1,139,207	-
	Leases	264,765	264,765	-
	Total expenditures	$ 36,347,410	$ 35,611,503	$ 735,907

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 Personal Services
PRO	Pollutions Remediation Obligations
PS	Personal 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