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, 2022 and 2021

Eric Adams, Mayor
David C. Banks, Chancellor

ANNUAL FINANCIAL STATEMENTS

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For the Fiscal Years Ended June 30, 2022 and 2021

Prepared by the Division of Financial Operations

Seritta Scott, Chief Financial Officer

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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

November 30, 2022

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, 2022

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, 2022, 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 1,059,000 students from 3-K to grade 12, in 32 school districts, 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, 2022:
Student Demographics - Fiscal Year 2022 (rounded)

Student Demographics - Fiscal Year 2022	
3-K & Pre-K	92,000
K - 5	428,000
6 - 8	224,000
9 - 12	315,000
Total	1,059,000

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 borough offices and two citywide offices provided targeted resources to schools across the areas of instruction, operations, and student services. To align supervision and support for every school, superintendents and Borough/Citywide Office executive directors reported to the Deputy Chancellor of School Leadership.

Economic Condition and Outlook

Local Economy

According to The City's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2022, The City's economy grew robustly in Fiscal Year 2022, with many City jobs returning to or surpassing pre-COVID-19 levels. The rebound slowed at the beginning of calendar year 2022 with a surge in COVID-19 infections, which was driven by the spread of more infectious variants. By the end of Fiscal Year 2022, jobs in information technology, and education and health services had surpassed pre-pandemic levels, and the unemployment rate decreased to 6.2 percent. In addition, taxable sales in The City grew 26 percent in Fiscal Year 2022, after dropping for two consecutive years due to the COVID-19 pandemic.

The COVID-19 pandemic recovery at the DOE included multi-layered measures to ensure the continued health and safety of students based on guidance from the Centers for Disease Control, the New York State Education Department, and public health experts at the New York City Department of Health and Mental Hygiene. In the 2021-2022 school year, the DOE safely re-opened schools to full, in-person instruction; expanded the nation's largest in-school surveillance testing program to include both unvaccinated students and vaccinated students, as well as staff; implemented school vaccination sites; and administered over two million PCR COVID-19 tests to students and school staff and distributed an additional four million at-home test kits; launched the COVID Command Center to immediately address, escalate and resolve any operational issues, and addressed staffing challenges by offering additional financial incentives to recruit additional qualified, teacher and paraprofessional substitutes.

In addition, the DOE's recovery response included free "grab and go" summer breakfast and lunch and through its Summer Rising academics and school-based enrichment programs, provided supports in social-emotional learning and mental health, including individualized and group counseling

Fiscal Outlook

The economic recovery was accompanied by higher inflation with average price increases of 5 percent within the New York metropolitan area in Fiscal Year 2022, which is more than double the steady pace established in the years before the COVID-19 pandemic. There are also significant risks in the Department of Education's budget in future years, partially driven by the planned expiration of stimulus funding in September 2024. In addition, the arrival of a significant number of migrant families seeking asylum will require significant additional funding for shelter, social services, and education. The Mayor has called on the federal and state government to provide a share of these resources, but no significant funding has as yet been committed.

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, judgements 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's Office of the Comptroller 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, 2022 and 2021

FINANCIAL SECTION

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the financial statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Department of Education of The City of New York (the "DOE"), as of and for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, 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 audit of the financial statements in accordance with auditing standards generally accepted in the United States of America ("US GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the DOE and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of management for the financial statements

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

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

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

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

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

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

Required supplementary information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 19 - 31, the Schedule of the Net OPEB Liability on page 81, the Schedule of DOE's Proportional Share of the Net Pension Liabilities of Cost-Sharing Multiple Employer Pension Plans on page 82, and the Schedule of DOE Contributions for TRS and BERS Pension Plans on pages 83 - 87 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 89 - 97 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 6 - 8 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Grant Thornton

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2022, on our consideration of the DOE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the DOE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DOE's internal control over financial reporting and compliance.

Grant Thornton LLP

New York, New York
November 30, 2022

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Department of Education of The City of New York (the "DOE") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the DOE's basic financial statements, and have issued our report thereon dated November 30, 2022.

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 2022-001 that we consider to be significant deficiencies in the DOE's internal control.

GrantThornton

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
November 30, 2022

Finding #: 2022-001

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 2022 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 four system accounts are shared between two or more IT personnel within the DOE's general ledger system.

   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.

   b. **Segregation of Duties**
   We noted that there are five non-IT personnel that retain administrator privileges for the DOE's general ledger system.

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

   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 are 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.

Views of responsible officials:
The DOE has identified and purchased a product for managing privileged access. The DOE has also identified and selected a vendor to design and implement the solution. The anticipated date of completion is January 2024.

Additionally, the DOE will review periodically to ensure that all non-IT staff access is appropriate. The DOE began evaluating and generating manual reports (with an eye toward automation) beginning September 1, 2022. For FAMIS access noted for non-IT employees, these users should no longer require FAMIS Security since all security maintenance has been centralized under DIIT. If any of the users require FAMIS access for the purpose of financial processing, they should submit a FAMIS Access Request Form and have a new ID established, or an existing ID modified after supervisor approval.

Lastly, the DOE has identified and purchased a product for monitoring separation of duties. This has an anticipated date of completion of January 2024.

2. Privileged Access – Technology Management

   a. Segregation of Duties

   We noted that three computer systems managers maintain developer privileges, ability to migrate changes to production, and have direct access to the database on Galaxy.

   We noted that five computer systems managers maintain developer privileges and perform application security administration for Galaxy.

   We noted that one computer software specialist maintains developer privileges and the ability to migrate changes to production for FAMIS.

   Where a user maintains developer privileges, the ability to migrate changes to production and have direct database access to a system, they can create tables, objects, and stored procedures directly in the production database, which may result in unauthorized program changes.

   Where a user maintains developer privileges and security administration privileges for a system, they can grant themselves access to migrate their own changes to production, which may result in unauthorized program changes. Where a user maintains developer privileges and the ability to migrate changes to production, they can move their own change to production, which may result in unauthorized program changes. We recommend restricting the access between these roles to ensure that only approved changes are migrated to the production environment.

   b. Monitoring Activity for Segregation of Duties

   We noted that there are currently no monitoring tools or processes to review user actions on a formal, periodic basis where segregation of duties issues were noted for FAMIS or Galaxy**.**

   Where segregation of duties issues occur and segregating access is not feasible, we recommend that a logging and monitoring control be implemented to identify any inappropriate changes migrated to production. Although the current process is to review and approve changes prior to migration to production, the access noted in the segregation of duties issue noted above allows the users to circumvent the normal change management approval process. Therefore, a monitoring and logging control should be performed at least quarterly and be inclusive of all changes moved to production during that period. 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.

Views of responsible officials:
The DevOps process for code promotion is automated and all changes are reviewed and approved by multiple staff members or automated services.

For the user maintaining developer privileges and the ability to migrate changes to production for FAMIS, DOE notes that this access has been reviewed and deemed as necessary and acceptable.

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, 2022 and 2021. 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 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.

- In Fiscal Year 2021, general fund total revenue and expenditures increased $279 million to $32.8 billion, driven primarily by increased costs in charter tuition, school-based staff, and student transportation. Charter tuition is formula driven pursuant to statute. School-based staff costs increased due to the need for additional staffing to cover both in-person and remote schooling options. Student transportation increased pursuant to negotiated contracts for vendors and insurance.

- Net position at June 30, 2022 and 2021 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 at June 30, 2022 were $6.5 billion, an increase of $1.1 billion from Fiscal Year 2021.

- Total assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported in the governmental funds at June 30, 2021 were $5.4 billion, an increase of $637 million from Fiscal Year 2020.

Overview of Financial Statements

The following is a narrative overview and analysis of the financial activities of The Department of Education, for the Fiscal Years ended June 30, 2022 and 2021. 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 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 utilized 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 other postemployment benefits ("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, 2022, 2021 and 2020**:**

Figure 1	**Governmental Activities**		
Condensed Statement of Net Position	**2022**	**2021**	**2020**
		(in thousands)	
Current and other assets	$ 6,493,191	$ 5,442,182	$ 3,144,447
Due from The City of New York	27,761,729	31,677,065	35,133,221
Capital assets (Net of depreciation/amortization)	32,424,055	29,033,042	28,077,801
Total assets	$ 66,678,975	$ 66,152,289	$ 66,355,469
Deferred outflow of resources	$ 5,375,151	$ 5,300,546	$ 5,587,669
Long-term liabilities	$ 49,667,831	$ 42,997,380	$ 54,150,312
Other liabilities	6,730,698	5,622,361	5,240,867
Total liabilities	$ 56,398,529	$ 48,619,741	$ 59,391,179
Deferred inflows of resources	$ 15,655,597	$ 22,833,094	$ 12,551,959
Net position:			
Net investment in capital assets	$ 32,424,055	$ 29,033,042	$ 28,077,801
Unrestricted deficit	(32,424,055)	(29,033,042)	(28,077,801)
Total net position	$ -	$ -	$ -

At the close of each fiscal year, total net position is $0. Since the DOE is not an independent school district, it has no net position of its own. Unrestricted deficit in net position represents an additional, long-term amount of liabilities which are required to be paid by The City, and thus should be treated as Due from The City of New York.

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 2021, total assets decreased by $203 million from $66.4 billion as of June 30, 2020, to $66.2 billion as of June 30, 2021, primarily due to a decrease in pension expenses which caused the decrease in the amount due from The City.

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 2021, total liabilities and deferred inflows of resources decreased by $490 million from $71.9 billion as of June 30, 2020, to $71.5 billion as of June 30, 2021. This was primarily due to an increase of $10.2 billion in net pension and OPEB deferred inflows, offset by a decrease of $10.8 billion in long term and other liabilities. Additionally, there was an increase of approximately $1.0 billion in accounts payable and accrued vacation and sick leave due to delayed spending and travel bans from the pandemic.

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.

In Fiscal Year 2021, accounts payable and accrued liabilities, other liabilities, and due to other entities due within one year increased by $381 million for outstanding obligations. Deferred inflows of resources for pension and OPEB increased by net $10.2 billion due to an increase in deferred inflows from pension and decrease in OPEB and the difference between expected and actual, change in assumption, contributions, and plan investment earnings. Additionally, there was an increase in grant advances of $11 million and an increase in capital lease obligations offset by a decrease in pollution remediation.

The following provides a summary of changes in the DOE's net position for all activities as of June 30, 2022, 2021, and 2020:

Figure 2

Condensed Statement of Activities

	Governmental Activities		
	2022	**2021**	**2020**
		(in thousands)	
Revenues:			
Program revenues:			
Charges for services	$ 66,519	$ 41,776	$ 103,098
Operating grants and contributions	17,238,018	13,458,921	13,505,234
General revenues:			
City funded	16,144,530	15,714,623	17,122,350
Other/Intra-city sales	80,427	62,773	51,432
Total revenues	33,529,494	29,278,093	30,782,114
Expenses:			
School leadership, instruction and special education support	22,718,448	19,098,272	20,946,895
School support services	5,159,443	4,554,795	4,411,395
School support organization	370,160	461,859	553,060
Central administration	454,800	493,993	525,657
Non-public, charter and contract schools	4,826,643	4,669,174	4,345,107
Total expenses	33,529,494	29,278,093	30,782,114
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 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 & sick leave and judgment & 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.

- In Fiscal Year 2021, School leadership, instruction, and special education support decreased 8.8% from $20.9 billion in Fiscal Year 2020 to $19.1 billion in Fiscal Year 2021 due to a net decrease in the majority of the allocated long-term costs incurred by The City on behalf of the DOE, including pension and debt service, offset by increases in collective bargaining and related fringe benefits. School support services increased by $143 million from $4.4 billion in Fiscal Year 2020 to $4.6 billion in Fiscal Year 2021, as schools reopened; School support organization decreased from $553 million to $462 million; Central administration decreased by $31.7 million, and non-public, charter and contract schools had an overall increase of $324 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, 2022, 2021 and 2020 - (in thousands):

Figure 3	Governmental Funds			Amount Change		Percentage Change	
General Fund	**2022**	**2021**	**2020**	**2022-2021**	**2021-2020**	**2022-2021**	**2021-2020**
Assets:							
Cash	$ 230,298	$ 104,370	$ 13,840	$ 125,928	$ 90,530	120.7 %	654.1 %
Accounts Receivable							
Federal	3,970,700	1,636,535	607,845	2,334,165	1,028,690	142.6 %	169.2 %
State	2,168,184	2,392,802	2,428,262	(224,618)	(35,460)	(9.4)%	(1.5)%
Non-Governmental	115,157	162,189	85,542	(47,032)	76,647	(29.0)%	89.6 %
Due from The City of New York	-	1,083,151	1,606,187	(1,083,151)	(523,036)	(100.0)%	(32.6)%
Total	$ 6,484,339	$ 5,379,047	$ 4,741,676	$ 1,105,292	$ 637,371	20.5 %	13.4 %
Liabilities:							
Accounts Payable and Accrued Expenses	$ 5,966,756	$ 5,202,527	$ 4,634,464	$ 764,229	$ 568,063	14.7 %	12.3 %
Other Liabilities	508,124	134,583	76,084	373,541	58,499	277.6 %	76.9 %
Deferred Inflows of resources:							
Grant advances	9,459	41,937	31,128	(32,478)	10,809	(77.4)%	34.7 %
Total	$ 6,484,339	$ 5,379,047	$ 4,741,676	$ 1,105,292	$ 637,371	20.5 %	13.4 %

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

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 assets for Fiscal Year 2021: Total assets increased approximately $637 million from $4.74 billion to $5.38 billion due to an increase of $1.2 billion in federal, cash and non-governmental resources, offset by a $523 million decrease in amounts due from The City to pay for outstanding liabilities in the General fund and $35 million decrease in state sources. The increase in accounts receivable is due to the timing of cash receipts for CARES Act and CRRSA Act funding which are based on claims for reimbursement of expenditures. In Fiscal Year 2021, the DOE established a $90 million restricted cash trust account. The DOE will maintain this account to serve as security for all of the DOE's obligations for school bus transportation insurance costs.

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 $508 million.

Changes in total liabilities and deferred inflows of resources for Fiscal Year 2021: Governmental Fund liabilities plus deferred inflows of resources increased $637 million due to an increase of $568 million in accounts payable and accrued liabilities in the General Fund. There was an increase of $58 million in the balance of the other liabilities and an increase of $11 million in the deferred inflows of resources.

The following provides a summary of changes in revenues and expenditures as of June 30, 2022, 2021 and 2020 - (in thousands):

Figure 4	**General Fund**			**Percentage Change**	
Changes in Revenue and Expenditures	**2022**	**2021**	**2020**	**2022–2021**	**2021-2020**
Revenues:					
Federal aid	$ 4,972,742	$ 2,578,948	$ 1,772,386	92.8 %	45.5 %
State aid	12,036,606	10,652,066	11,509,905	13.0 %	(7.5)%
Funding by The City	18,421,567	19,410,997	19,034,243	(5.1)%	2.0 %
Other	180,585	202,158	248,518	(10.7)%	(18.7)%
Total revenues	$ 35,611,500	$ 32,844,169	$ 32,565,052	8.4 %	0.9 %
Expenditures:					
School leadership, instruction and special education support	$ 24,595,859	$ 22,720,363	$ 23,349,870	8.3 %	(2.7)%
School support services	5,616,287	4,828,099	4,066,402	16.3 %	18.7 %
School support organization	370,160	396,843	493,177	(6.7)%	(19.5)%
Central administration	454,800	486,690	473,723	(6.6)%	2.7 %
Non-public, Charter, and Contract Schools	4,826,643	4,669,174	4,345,107	3.4 %	7.5 %
Intra-city sales	(80,427)	(62,773)	(51,432)	28.1 %	22.1 %
Subtotal	35,783,322	33,038,396	32,676,847	8.3 %	1.1 %
Net change in estimate of prior payables	(171,822)	(194,227)	(111,795)	(11.5)%	73.7 %
Total expenditures	$ 35,611,500	$ 32,844,169	$ 32,565,052	8.4 %	0.9 %

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 2021, total revenues increased $279 million due to increases of $377 million in funding provided by The City and $807 million in federal funding, offset by decreases of $46 million in other revenue and $858 million in State Aid.

The increases in federal programs were primarily due to funding for COVID-19 pandemic relief for school opening and included: Coronavirus Relief Aid of $913.8 million; Title I of $118.6 million; Title III and Title IV of $17.1 million; and other revenue sources of $1.2 million. Offsetting these increases were reductions in: school food for $183.6 million; Medicaid for $31.2 million; IDEA for $15.2 million; Magnet Schools for $7.2 million; and the Teacher Incentive Fund grant for $6.5 million. Most of these decreases were attributable to service reductions as a result of the COVID-19 pandemic.

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 Aids, $11.4 in Employment Preparation Aids, $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 aids such as High-Cost Aid, Private Excess Cost Aid, and Career Education Aids, and a net decrease of $1.4 million in all other aids.

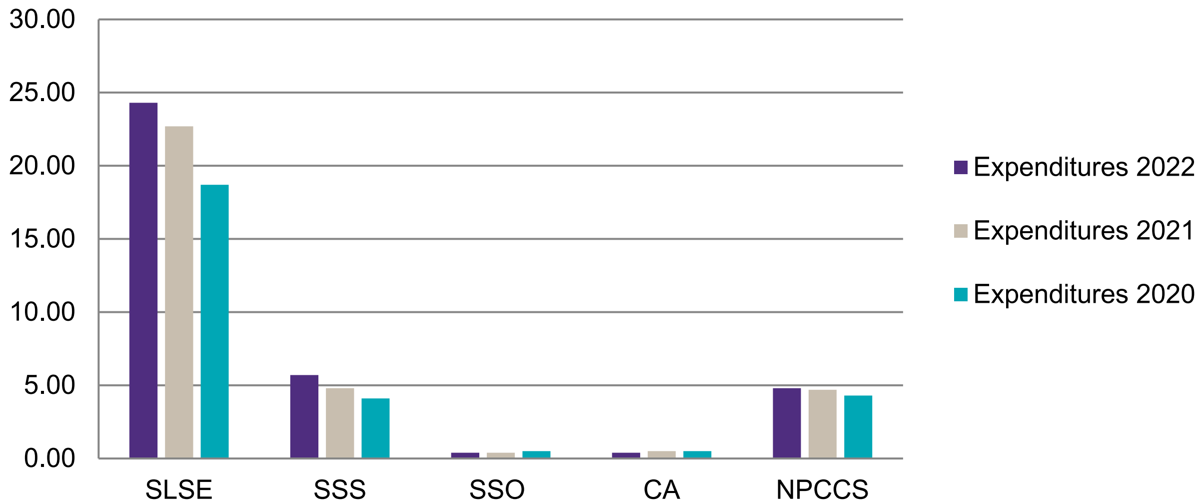
In Fiscal Year 2021, State Aid decrease comprised reductions in: Foundation Aid for $727.1 million, which were mostly attributable to a shift of $720.5 million from State funding to Federal CARES pandemic relief; Transportation Aid for $86.2 million; and High Excess Cost Aid for special education students for $44.6 million.

Due to budgetary constraints stemming from the economic impact of the COVID-19 pandemic, the DOE executed agreements with various unions to defer $41 million of welfare payments to future years to avoid layoffs. To properly reflect DOE's obligations under GAAP, an adjustment was made to include the $41 million obligation in the Accrued Expenditures.

On October 9, 2020, the DOE and the UFT reached the determination on how the DOE would pay the UFT approximately $900 million that was scheduled to be paid on October 1, 2020 (i.e., UFT claim.) Due to the pandemic and The City's effort to prevent layoffs, the DOE and UFT agreed to pay 50% (approximately $450 million) to the UFT in Fiscal Year 2021 and defer the payment of the remaining 50% (approximately $450 million) to Fiscal Year 2022. As of October 31, 2021, the actual deferred amount is $447 million. To properly reflect DOE's obligations under GAAP, an adjustment was made to include the $447 obligation in the Accrued Expenditures.

Figure 5

Condensed Statement of Expenditures
for the Fiscal Years ended June 30, 2022, 2021 and 2020
($ in billions)



	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 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.

In Fiscal Year 2021, total fund expenditures increased 0.9% or $279 million. Expenditures in School Leadership, Instruction and Special Education instructional programs decreased by $630 million compared to Fiscal Year 2020 mainly due to decreases in cost associated with the reporting of the proportionate share of both pension and OPEB expenses, paid for by The City on behalf of the DOE. School Support Services increased by $762 million, or 18.7%, and School Support Organization costs decreased by $96 million. Central Administration, which includes the IT expenditures, increased overall by $12.9 million. Non-public, charter, and contract school's expenditures increased $324 million, a 7.5% 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 $40.8 million to Tax-levy budgets and $17.6 million to Reimbursable Program budgets.

- November and January Plan Actions, which increased Tax-levy budgets by $247.2 million and Reimbursable Program budgets by $192.8 million. The adjustments were primarily due to the following: collective bargaining increases of $405.5 million; savings of $366.5 million, which were partially offset by an increase in prior year State revenue of $55 million; State, Federal and Other Categorical adjustments totaling $349.6 million, which were primarily comprised of Charter School revenue of $134.2 million; Smart School Bond Act (SSBA) revenue of $62.9 million; Community Development Block Grant (CDBG) rollover of $59 million; IDEA Supplemental revenue of $15.7 million; Stimulus funds of $71.7 million and Demand Response revenue of $6.1 million.

- Executive and Adopted Budget Actions which decreased Tax-levy budgets by $103.2 million and Reimbursable Program budgets by ($18.9) million. The adjustments were primarily due to the following: savings of $150 million; increase of $100 million for the Federal Emergency Connectivity Fund; State, Federal, Other Categorical and Miscellaneous revenue adjustments of $94.9 million; increase of $22.5 million in Heat, Light and Power; collective bargaining increases of $1.3 million and City Council Member Item adjustments of $1.1 million

- Final Fiscal Year Close Actions, which decreased funds in Tax-levy budgets by $265.6 million and Reimbursable Program budgets by $200.6 million. These actions were primarily due to the reduction of ARPA, CRRSA, and CARES (stimulus) funds of $325.7 million in order to meet anticipated FY 2023 needs. Other adjustments in expense-based aids, which netted to $140.5 million, were re-valued earlier in the fiscal year, but were not adjusted until the close.

- Additional Fiscal Year Close Actions, which includes an increase to Tax-levy budgets of $87.1 million, are attributable to the effects of GASB Statement No. 49 requirements.

- As a result of the above, DOE made net modifications to the Adopted Budget of approximately $2.8 million.

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

Figure 6

	Governmental Activities		
	2022	**2021**	**2020**
		(in thousands)	
Land*	$ 448,963	$ 448,963	$ 448,963
Construction in progress*	3,230,759	2,442,908	1,860,413
Buildings	25,450,316	25,709,344	25,485,020
Equipment	534,930	431,827	283,405
Lease assets	2,759,087	-	-
Total	$ 32,424,055	$ 29,033,042	$ 28,077,801

*Asset not depreciable/amortizable
All other assets classifications are shown net of depreciation/amortization

In Fiscal Year 2022, construction in progress increased by $788 million. This increase is a result of new projects undertaken by the School Construction Authority (“SCA”), which is charged with constructing, improving and repairing school buildings. The DOE implementation of GASB 87 Leases, and as a result, lease assets increased by $2.8 billion.

In Fiscal Year 2021, buildings and equipment increased by $373 million and construction in progress increased by $582 million, respectively, from transfers from the SCA, which is charged with creating and managing school construction projects. This resulted in a $955 million increase in total assets (net of accumulated amortization and depreciation).

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.

In Fiscal Year 2021, the SCA completed 11 new schools, which resulted in the creation of 3,773 seat openings for the 2021/2022 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, 2022 and 2021

Basic Financial Statements

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Statements of Net Position as of June 30, 2022 and 2021

(in thousands)

	Governmental Activities	
	2022	**2021**
ASSETS:		
Cash	$ 7,110	$ 11,907
Accounts receivable:		
Federal	3,970,700	1,636,535
State	2,168,184	2,392,802
Non-governmental	115,157	162,189
Inventories	8,852	8,972
Pension asset	-	1,137,314
Due from The City of New York	27,761,729	31,677,065
Restricted Cash	223,188	92,463
Capital assets (net of accumulated depreciation):		
Land	448,963	448,963
Construction in progress	3,230,759	2,442,908
Buildings	25,450,316	25,709,344
Equipment (including software)	534,930	431,827
Lease assets	2,759,087	-
Total assets	66,678,975	66,152,289
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows from pension	1,551,404	277,974
Deferred outflows from OPEB	3,823,747	5,022,572
Total deferred outflows of resources	5,375,151	5,300,546
LIABILITIES:		
Accounts payable and accrued liabilities	5,966,756	5,202,527
Other liabilities	124,740	127,882
Due to SCA	35	35
Due to NYCSSS	-	6,666
Pollution remediation obligations	84,479	69,007
Accrued vacation and sick leave	236,794	57,730
Lease liability	210,908	40,503
Accrued judgments and claims	106,986	118,011
Noncurrent liabilities:		
Pollution remediation obligations	9,386	7,667
Accrued vacation and sick leave	2,948,721	3,364,579
Lease liability	2,840,678	380,628
Accrued judgments and claims	275,092	262,285
Net pension liability	14,166,295	-
Net OPEB liability	29,427,659	38,982,221
Total liabilities	56,398,529	48,619,741
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows from pension	2,676,908	18,210,088
Deferred inflows from OPEB	12,969,230	4,581,069
Grant advances	9,459	41,937
Total deferred inflows of resources	15,655,597	22,833,094
NET POSITION:		
Net investment in capital assets	32,424,055	29,033,042
Unrestricted deficit	(32,424,055)	(29,033,042)
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, 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

Statement of Activities for the Year Ended June 30, 2021

(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	$ 19,098,272	$ 15,841	$ 11,317,890	$ (7,764,541)
School support services	4,554,795	9,152	1,515,221	(3,030,422)
School support organization	461,859	-	-	(461,859)
Central administration	493,993	-	-	(493,993)
Non-public, charter, and contract schools	4,669,174	16,783	625,811	(4,026,580)
Total department activities	$ 29,278,093	$ 41,776	$ 13,458,922	(15,777,395)
General revenues:				
City funded				15,714,622
Intra-city sales				62,773
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, 2022 and 2021

(in thousands)

	General Fund	
	2022	2021
ASSETS:		
Cash	$ 7,110	$ 11,907
Accounts receivable:		
Federal	3,970,700	1,636,535
State	2,168,184	2,392,802
Non-Governmental	115,157	162,189
Restricted cash	223,188	92,463
Due from The City of New York	-	1,083,151
Total assets	$ 6,484,339	$ 5,379,047
LIABILITIES:		
Accounts payable and accrued liabilities	$ 5,966,756	$ 5,202,527
Advances from The City of New York	383,349	-
Other liabilities	124,740	127,882
Due to SCA	35	35
Due to NYCSSS	-	6,666
Total liabilities	6,474,880	5,337,110
DEFERRED INFLOWS OF RESOURCES:		
Grant advances	9,459	41,937
Total deferred inflows of resources	9,459	41,937
FUND BALANCE	-	-
Total liabilities, deferred inflows of resources, and fund balance	$ 6,484,339	$ 5,379,047

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, 2022 and 2021

($000 Omitted)

	2022	2021
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	8,852	8,972
Capital assets net of depreciation used in governmental activities are not financial resources and, therefore, are not reported in governmental fund	32,424,055	29,033,042
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:		
Pension asset	-	1,137,314
Due from The City of New York	28,145,078	30,593,914
Deferred outflows from pension	1,551,404	277,974
Deferred outflows from OPEB	3,823,747	5,022,572
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	(93,865)	(76,674)
Accrued vacation and sick leave	(3,185,515)	(3,422,309)
Lease liability	(3,051,586)	(421,131)
Accrued judgments and claims	(382,078)	(380,296)
Employer pension obligations	(14,166,295)	-
Net OPEB liability	(29,427,659)	(38,982,221)
Deferred inflows from pension	(2,676,908)	(18,210,088)
Deferred inflows from OPEB	(12,969,230)	(4,581,069)
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, 2022 and 2021

(in thousands)

	General Fund	
	2022	2021
REVENUES:		
Federal aid	$ 4,972,742	$ 2,578,948
State aid	12,036,606	10,652,066
Other assistance	143,091	124,599
Charges for services:		
School Construction Authority	68,490	43,840
Rentals	29,004	9,098
Other	54,604	92,146
Subtotal	17,304,537	13,500,697
Net change in estimate of prior receivables	(114,604)	(67,525)
Subtotal	17,189,933	13,433,172
Funding provided by The City of New York	18,421,567	19,410,997
Total revenues	35,611,500	32,844,169
EXPENDITURES:		
General education instruction and school leadership	9,437,481	9,136,016
Special education instruction and school leadership	2,685,608	2,820,018
Charter schools	2,748,952	2,639,780
School support organization	323,953	340,920
Citywide education instruction and school leadership	1,290,284	1,320,847
Special education instructional support	608,260	612,165
School facilities	1,466,864	1,302,644
Pupil transportation	1,627,587	1,454,913
School food services	509,504	413,079
School safety	351,656	364,197
Energy and leases	751,864	605,406
Central administration	398,028	418,106
Fringe benefits	3,582,943	3,700,522
Pre-kindergarten contracts	688,869	729,636
Contract schools and foster care payments	1,309,439	1,215,571
Non-public schools	79,383	84,187
Reimbursable - categorical programs	3,134,287	1,818,365
Pensions	3,464,815	3,224,399
Other Post Employment Benefits (OPEB)	1,139,207	900,398
Leases	264,765	-
Intra-city sales	(80,427)	(62,773)
Subtotal	35,783,322	33,038,396
Net change in estimate of prior payables	(171,822)	(194,227)
Total expenditures	35,611,500	32,844,169
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, 2022 and 2021

(in thousands)

	2022	2021
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.	3,391,013	955,241
The net effect of various transactions with The City, and their effect on the amount reported as Due from The City of New York	(2,448,836)	(2,628,633)
Net change in Inventory	(120)	14
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	(17,191)	11,542
Change in sick leave and vacation liability	236,794	(432,954)
Change in lease liability	(2,630,455)	(64,694)
Change in judgments and claims liability	(1,782)	4,026
Change in employer pension obligations and pension - related deferred outflows and inflows of resources	1,503,001	4,662,845
Change in other postemployment benefit obligations and other postemployment deferred outflows and inflows of resources	(32,424)	(2,507,387)
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, 2022

(in thousands)

	Adopted Budget	Modified Budget	Actual	Favorable/ (Unfavorable)*
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: Favorable/unfavorable is comparing 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, 2021

(in thousands)

	Adopted Budget	Modified Budget	Actual	Favorable/ (Unfavorable)*
REVENUES:				
Federal aid	$ 2,124,913	$ 2,546,472	$ 2,578,948	$ 32,476
State aid	11,448,382	10,652,066	10,652,066	-
Other assistance	61,680	124,599	124,599	-
Charges for services:				
School Construction Authority	73,687	43,840	43,840	-
Rentals	36,500	36,500	9,098	(27,402)
Other	16,174	91,483	92,146	663
Subtotal	13,761,336	13,494,960	13,500,697	5,737
Net change in estimate of prior receivables	-	-	(67,525)	(67,525)
Subtotal	13,761,336	13,494,960	13,433,172	(61,788)
Funding provided by The City of New York	17,913,443	19,111,073	19,410,997	299,924
Total revenues	31,674,779	32,606,033	32,844,169	238,136
EXPENDITURES:				
General education instruction and school leadership	8,544,279	8,761,855	9,136,016	(374,161)
Special education instruction and school leadership	2,761,970	2,798,527	2,820,018	(21,491)
Charter schools	2,391,568	2,647,114	2,639,780	7,334
School support organization	286,932	338,484	340,920	(2,436)
Citywide education instruction and school leadership	1,246,320	1,282,945	1,320,847	(37,902)
Special education instructional support	673,887	644,308	612,165	32,143
School facilities	1,065,203	1,271,144	1,302,644	(31,500)
Pupil transportation	1,185,939	1,545,188	1,454,913	90,275
School food services	530,175	415,793	413,079	2,714
School safety	427,357	417,308	364,197	53,111
Energy and leases	573,144	615,692	605,406	10,286
Central administration	295,281	408,220	418,106	(9,886)
Fringe benefits	3,952,836	3,603,082	3,700,522	(97,440)
Pre-kindergarten contracts	864,708	784,022	729,636	54,386
Contract schools and foster care payments	864,295	1,078,295	1,215,571	(137,276)
Non-public schools	95,598	98,717	84,187	14,530
Reimbursable - categorical programs	1,800,469	1,837,478	1,818,365	19,113
Intra-city sales	(9,979)	(66,936)	(62,773)	(4,163)
Subtotal	27,549,982	28,481,236	28,913,599	(432,363)
Net change in estimate of prior payables	-	-	(194,227)	194,227
Subtotal	27,549,982	28,481,236	28,719,372	(432,363)
Pensions	3,224,399	3,224,399	3,224,399	-
Other Post Employment Benefits (OPEB)	900,398	900,398	900,398	-
Total expenditures	31,674,779	32,606,033	32,844,169	(238,136)
Excess of revenues over expenditures	-	-	-	-
FUND BALANCE	$ -	$ -	$ -	$ -

* Note: Favorable/unfavorable is comparing 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, 2022 and 2021

(in thousands)

	Custodial Funds	
	2022	2021
ASSETS		
Cash and cash equivalents	$ 32,606	$ 29,789
Total assets	$ 32,606	$ 29,789
NET POSITION		
Restricted funds raised for student activities	$ 30,043	$ 27,210
Restricted for scholarship payments from the Consolidated Trust Fund	1,943	1,941
Restricted for school lunch reimbursement	436	489
Restricted for school projects payments	184	149
Total Net Position	$ 32,606	$ 29,789

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, 2022 and 2021

(in thousands)

	Custodial Funds	
	2022	**2021**
ADDITIONS		
Interest income	$ 1	$ 1
School Survey - Deposits	44,761	31,398
Other deposits	1,861	65
Total additions	46,623	31,464
DEDUCTIONS		
Payment for school activities	43,622	38,907
Benefit payments for scholarships	4	2
Other	180	1,225
Total deductions	43,806	40,134
Net increase (decrease) in fiduciary net position	2,817	(8,670)
NET POSITION		
Restricted for student activities and scholarships		
Beginning of year	29,789	38,459
End of year	$ 32,606	$ 29,789

See accompanying notes to financial statements.

Notes to the Financial Statements

as of and for the Years Ended June 30, 2022 and 2021

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 1.1 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 Department of Education has an annual budget of approximately $31 billion (net of Pension and OPEB expenditures made on behalf of the DOE and lease expenditures recorded in accordance with GASB 87, totaling $4.9 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 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 2022, the DOE adopted and/or acknowledged the following new standards issued by the Governmental Accounting Standards:

- Statement No. 87, *Leases*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for* Internal *Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

Statement No. 87, *Leases (GASB 87)*, establishes new lease guidance which supersedes previous lease reporting literature. The statement redefines the agreements which constitute a lease arrangement. A lease is now defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. While the standard continues to require the reporting of both lease liabilities and lease assets, it established a new method of calculation for both. GASB 87 also requires enhanced disclosure which include a general description of the leasing arrangement, the aggregated amount of resource inflows and outflows recognized from lease contracts, including those not included in the measurement of the lease liability and receivable, and the disclosure of the long-term effect of lease arrangements on a government's resources (See Note 3D Lease Commitments).

The DOE, and The City, found that the restatement of prior periods for adoption of GASB 87 not practical. The instability of the DOEs leasing activities as a result of the COVID-pandemic prevented finalization of assumptions with respect to lease term on whether renewals or early terminations would be exercised, which are key factor in determining the total lease liability. After the suspension of several restrictions, enacted during the pandemic, that impacted several industries, the DOE was able to make definitive assumptions surrounding the lease term of many of its lease assets. It was accessed, at the DOE and The City level, that a restatement was not only impractical but provided an inconsequential difference between the current fiscal year and the prior fiscal year, that current information was more relevant to a reader than recasting the prior year lease obligations.

As a result of adoption, the DOE's beginning lease liability for fiscal year ended June 30, 2022 increased from $421 million to 3.0 billion. The DOE's beginning lease asset balance for fiscal year ended June 30, 2022 also increased from $421 million, net of amortization to $2.8 billion, net of amortization. See Notes 3C Capital Assets and 3D Lease Commitments for additional disclosures.

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

Statement No. 92, *Omnibus 2020*, addresses practice issues that were identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including eases, Intra-entity Transfers of Assets, Assets Accumulated for Defined Benefit Postemployment Benefits, Fiduciary Activities, Asset Retirement Obligations, Reinsurance Recoveries, Nonrecurring Fair Value Measurements, and Derivative Instruments.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates (IBOR) such as the London Interbank Offered Rate (LIBOR) for hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for certain hedging derivative instruments. However, Statement No. 99, *Omnibus*, introduces a new concept regarding the applicability of the LIBOR rate, effectively extending its use.

Statement No. 97, requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities,* be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans,* or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* respectively. Lastly, the statement also introduced requirements regarding Section 457 plans classifications and the applicability of Statement 84, as amended to such plans. Additionally, this Statement supersedes the remaining provisions of Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans,* as amended.

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
91	*Conduit Debt Obligations*	2023
94	*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*	2023
96	*Subscription-Based Information Technology Arrangements*	2023
99	*Omnibus 2022*	2024
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 - includes certain aged receivables from State and Federal sources.

Inventory - Total materials and donated commodities on hand at June 30, 2022 and 2021, amounted to \$8.9 million and \$9.0 million, respectively, based on the moving average and the FIFO method used to account for ending inventories, and are included in the accompanying Statements of Net Position. Inventories are recorded as expenditures in governmental funds at the time of acquisition and, accordingly, have not been reported on the governmental funds balance sheet.

Donated Commodities - The DOE participates in various Federal and State funded food programs. Many of these programs provide for commodities to be supplied to the DOE in lieu of, or in addition to, cash. The assessed value of these donated commodities received as of June 30, 2022 and 2021 totaled $55.9 million and $32.5 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, 2022 and 2021 totaled $56.0 million and $32.3 million, respectively.

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 - 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 at 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 Statement 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 ofGASB 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 - Other postemployment benefits (OPEB) account 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 Governmental Accounting Standards Board (GASB). Significant estimates include accrued expenses and other liabilities, depreciable lives of buildings and equipment-assuming normal maintenance, amortization of leasehold improvements, accruedvacation 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 $4.9 and $4.1 billion in fiscal year 2022 and 2021, respectively. Accordingly, the Statement 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, 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 outlinedin 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)	$ 35,611,500
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

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, 2021 is $32.8 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 $29.3 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)	$ 32,844,169
Add back intra-city sales (which are included in general revenue in statements of activities)	62,773
Depreciation expense	1,975,099
Employer contribution - pension	(3,224,399)
Employer contribution - OPEB	(900,398)
Net change in estimated prior payables	194,227
Long-term liabilities per full accrual basis:	
Net change in pollution remediation obligations	(11,542)
Net change in sick leave and vacation balances	432,954
Net change in lease liability	64,694
Net change in judgments and claims	(4,026)
Net change in employer pension obligations and pension related deferred outflows and inflows of resources	(4,662,845)
Net change in other postemployment benefit obligations and other postemployment deferred outflows and inflows of resources	2,507,387
Total program expenses (from the statement of activities)	$ 29,278,093

Correction of an Immaterial Error

In connection with preparing its financial statements for the year ended June 30, 2022, the DOE determined that it did not properly report pension and OPEB expenses and the funding provided by The City of New York in its Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances and its Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances, Budget and Actual for the year ended June 30, 2021. The DOE previously combined these balances within the funding provided by The City of New York line of both financial statements. Each of these balances should have been reported as separate line items on both financial statements.

The Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances and the Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances, Budget and Actual for the year ended June 30, 2021 were adjusted as follows:

Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances	June 30, 2021, as previously reported	Adjustments for OPEB and Pension Expenses	June 30, 2021, as adjusted
Revenues from Federal, State & Private Sources	$ 13,433,172	$ -	$ 13,433,172
Funding Provided by The City of New York	15,286,200	4,124,797	19,410,997
Total revenues	28,719,372	4,124,797	32,844,169
Pension Expense	-	3,224,399	3,224,399
OPEB Expense	-	900,398	900,398
Expenditures not related to Pension and OPEB	28,719,372	-	28,719,372
Total expenditures	28,719,372	4,124,797	32,844,169
Excess of revenues over expenditures	-	-	-
Fund Balance	$ -	$ -	$ -

Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances, Budget and Actual	For the Year Ended June 30, 2021			
	Adopted Budget	Modified Budget	Actual	Favorable/ (Unfavorable)
Revenues from Federal, State & Private Sources	$ 13,761,336	$ 13,494,960	$ 13,433,172	$ (61,788)
Funding Provided by The City of New York, as previously reported	13,788,646	14,986,276	15,286,200	299,924
Adjustments for OPEB and Pension Expenses	4,124,797	4,124,797	4,124,797	-
Funding Provided by The City of New York, as adjusted	17,913,443	19,111,073	19,410,997	299,924
Total revenues, as previously stated	27,549,982	28,481,236	28,719,372	238,136
Total revenues, as adjusted	31,674,779	32,606,033	32,844,169	238,136
Pension Expense, as previously reported	-	-	-	-
Adjustment for Pension Expense	3,224,399	3,224,399	3,224,399	-
Pension Expense, as adjusted	3,224,399	3,224,399	3,224,399	-
OPEB Expense, as previously reported	-	-	-	-
Adjustment for OPEB Expense	900,398	900,398	900,398	-
OPEB Expense, as adjusted	900,398	900,398	900,398	-
Expenditures not related to Pension and OPEB	27,549,982	28,481,236	28,719,372	(238,136)
Total expenditures, as previously reported	27,549,982	28,481,236	28,719,372	(238,136)
Total expenditures, as adjusted	31,674,779	32,606,033	32,844,169	(238,136)
Excess of revenues over expenditures	-	-	-	-
Fund Balance	$ -	$ -	$ -	$ -

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, 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)	(58,440)	(84,019)
Total	$ 31,539,831	$ (61,209)	$ 31,478,622

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)

The following schedule summarizes budget modifications for the year ended June 30, 2021 (in thousands):

	Originally Adopted Budget	Net Modifications	Modified Budget
Tax-levy programs	$ 25,759,492	$ 951,202	$ 26,710,694
Reimbursable programs	1,800,469	37,009	1,837,478
Subtotal	27,559,961	988,211	28,548,172
Less: Intra-city sales	(9,979)	(56,957)	(66,936)
Total	$ 27,549,982	$ 931,254	$ 28,481,236

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

	Tax Levy	Reimbursable
Intra-city purchases	$ 38,607	$ 18,350
November and January Plan Actions	1,253,040	95,863
Executive and adoption	206,255	(3,708)
Year-end closing actions	(603,601)	(73,496)
GASB No. 49 - Pollution remediation	56,901	-
Total Net Modifications	$ 951,202	$ 37,009

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. As the DOE's General Fund cash balance is part of The City's cash management system, which is considered one depositor for FDIC purposes, and as the agency funds include over 1,600 accounts maintained at the school level, the City's Office of the Comptroller determines the amounts that are insured or collateralized. The City's June 30, 2022 and 2021 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, 2022 and 2021 (in thousands):

	2022	2021
Unrestricted and restricted cash:		
Unrestricted cash	$ 7,110	$ 11,907
Restricted cash	223,188	92,463
Total unrestricted and restricted cash	$ 230,298	$ 104,370

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, 2022 and 2021 were as follows (in thousands):

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

Capital Assets	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Land and site improvement	$ 448,963	$ -	$ -	$ 448,963
Construction in progress	1,860,413	2,546,706	1,964,211	2,442,908
Total capital assets not being depreciatec	2,309,376	2,546,706	1,964,211	2,891,871
Capital assets being depreciated:				
Buildings	48,949,298	2,074,343	30,746	50,992,895
Equipment (including software)	947,031	304,581	333	1,251,279
Gross balance capital assets	49,896,329	2,378,924	31,079	52,244,174
Less accumulated depreciation:				
Building and additions	23,464,278	1,850,019	30,746	25,283,551
Equipment	663,626	156,153	327	819,452
Total accumulated depreciation	24,127,904	2,006,172	31,073	26,103,003
Net capital assets being depreciated	25,768,425	372,752	6	26,141,171
Total capital assets	$ 28,077,801	$ 2,919,458	$ 1,964,217	$ 29,033,042

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

	Lease Asset 2022 (in thousands)
Lease Asset:	
Lease Land	$ 3,796
Less accumulated amortization	1,808
Lease Land, net	1,988
Lease Building	4,394,127
Less accumulated amortization	1,642,236
Lease Buildings, net	2,751,891
Lease Equipment	3,004
Less accumulated amortization	992
Lease Equipment, net	2,012
Lease Infrastructure	4,583
Less accumulated amortization	1,387
Lease Infrastructure, net	3,196
Total Lease Asset	$ 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 $19.1 billion.

For FY 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 FY22. 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 project which have not yet been completed.

For FY 2021 the authority transferred to the DOE the cost associated with construction work in progress and administrative cost totaling $1,932,254, 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 FY21. The DOE also increased its construction work in progress balance by $2.5 billion for new capital project cost incurred by the SCA on behalf of the DOE for project 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 leased 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 2022. As a lessee, there are currently no agreements that include sale-leaseback and lease-leaseback transactions.

Accordingly, the DOE has commitments for leases that have not yet commenced as of the end of the 2022 Fiscal Year and the liability associated with these leases equal to approximately $9.8 million in the aggregate.

As of June 30, 2022, 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:					
2022	$ 3,260,976	$ 209,390	$ 88,916	$ 298,307	$ 3,051,586
2023	3,051,586	210,908	85,076	295,984	2,840,678
2024	2,840,678	211,430	79,120	290,550	2,629,248
2025	2,629,248	206,507	73,175	279,682	2,422,742
2026	2,422,742	197,286	67,425	264,711	2,225,456
2027	2,225,456	188,312	61,997	250,309	2,037,144
2028-2032	2,037,144	872,118	232,646	1,104,764	1,165,026
2033-2037	1,165,026	598,482	121,859	720,341	566,544
2038-2042	566,544	239,474	63,883	303,357	327,070
2043-2047	327,070	121,358	40,124	161,482	205,711
2048-2052	205,711	87,749	23,345	111,094	117,963
2053-2057	117,963	52,840	13,685	66,525	65,122
2058-2062	65,122	35,851	7,090	42,942	29,271
2063-2067	29,271	25,737	1,876	27,613	3,534
2068-2072	3,534	264	511	775	3,270
2073-2077	3,270	307	468	775	2,963
2078-2082	2,963	357	419	775	2,606
2083-2087	2,606	414	361	775	2,192
2088-2092	2,192	481	294	775	1,711
2093-2097	1,711	559	216	775	1,152
2098-2102	1,152	649	126	775	503
2103-2107	503	503	27	530	-
	Lease Liability:	$ 3,051,586			

As of June 30, 2022, 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, 2022 and 2021, summarized by obligating event and pollution type, respectively, were as follows (in thousands):

	2022		2021	
Obligating Event	**Amount**	**Percentage**	**Amount**	**Percentage**
Voluntary commencement	$ 93,865	100.00	$ 76,674	100.00
Total	$ 93,865	100.00	$ 76,674	100.00
Pollution Type	**Amount**	**Percentage**	**Amount**	**Percentage**
Asbestos removal	$ 86,517	92.00	$ 67,360	87.85
Lead paint removal	821	1.00	2,207	2.88
Soil remediation	2,274	2.00	417	0.54
Other	4,253	5.00	6,690	8.73
Total	$ 93,865	100.00	$ 76,674	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, 2022 and 2021 were as follows (in thousands):

	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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year
Pollution remediation	$ 88,215	$ 45,338	$ 56,879	$ 76,674	$ 69,007
Accrued vacation and sick leave	2,989,354	490,685	57,730	3,422,309	57,730
Lease liability	356,437	66,934	2,240	421,131	40,503
Accrued judgments and claims	384,322	61,484	65,510	380,296	118,011
Net pension liability/(asset)	15,404,445	10,125,158	26,666,917	(1,137,314)	-
Net OPEB liability	35,457,858	4,425,926	901,563	38,982,221	-
Total	$ 54,680,631	$ 15,215,525	$ 27,750,839	$ 42,145,317	$ 285,251

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 2022 and 2021 were $59.9 million and $59.8 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 - Post-employment benefits other than pensions (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 2021, the DOE implemented a change in the methodology used to estimate its proportionate share of The City's OPEB liability and deferred outflows and inflows from OPEB. Prior to July 1, 2020, the DOE estimated its proportionate share based on a percentage derived from the amount of employer contribution which related to the DOEs OPEB recipients versus The City's overall employer contribution. This percentage, which was calculated annually, was then applied to The City's OPEB liability and deferred outflows and inflows from OPEB to extract the DOE proportionate share. In fiscal 2021, the DOE refined its methodology by using more precise information that is specific to the DOE's demographics. DOE OPEB liabilities and expense were produced by the New York City Office of the Actuary ("OA"). 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 as of and for the year ended June 30, 2021. The change in estimate resulted in a decrease of $343 million in deferred inflows from OPEB, a decrease of $271 million in deferred outflows from OPEB, an increase of $429 million in the net OPEB liability, and a decrease on $304 million in the amount due from The City of New York as of June 30, 2021. The methodologies and calculations used by The City to determine its overall OPEB liabilities and related balances remain consistent with prior years. This change in estimate was applicable only to the DOE's financial statements and related disclosures.

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

	2022	2021
Beginning balance at June 30,	$ 38,982,221	$ 35,457,858
Changes for the year:		
Service cost	2,144,077	1,867,936
Interest	917,052	1,016,909
Difference between expected and actual experience	(1,208,789)	72,118
Change of assumption	(10,266,759)	1,039,932
Contribution - employer	(1,139,207)	(900,398)
Net investment income	(1,011)	(1,240)
Administrative expenses	18	18
Other changes	57	57
Change in Estimate	-	429,031
Net changes	(9,554,562)	3,524,363
Net ending balance at June 30,	$ 29,427,659	$ 38,982,221

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

a. 1% Decrease	$ 35,480,107
b. 1% Increase	$ 26,908,534

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

a. 1% Decrease	$ 25,820,768
b. 1% Increase	$ 37,163,461

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):

	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

	2021	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Difference between Expected and Actual Experience	$ 2,830,731	$ 1,793,880
Changes in assumptions	2,108,380	2,787,189
Net difference between projected and Actual Earnings on OPEB Plan Investments	83,461	-
Total	$ 5,022,572	$ 4,581,069

The schedule of changes in the net OPEB liability and related ratios shown in the Required Supplementary Information (RSI) section immediately following the notes to financial statements, present GASB Statement No. 75 results of OPEB valuations for Fiscal Years 2022 and 2021.

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):

2023	$ (1,721,564)
2024	(1,242,534)
2025	(1,503,394)
2026	(1,681,687)
2027	(1,543,069)
Thereafter	(1,453,235)

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 2022 and 2021 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 DOE only participates in NYCERS, TRS and BERS. The OPEB valuations incorporate only the use of certain NYCRS demographic and economic assumptions. The assumptions used in The City's Fiscal Year 2021 OPEB valuation have not changed from the prior valuation, with the only exceptions being the discount rate, the mortality improvement scale and the treatment of actives-off-payroll (AOP) as described later in this section.

The OPEB-specific actuarial assumptions used in the Fiscal Year 2022 OPEB valuation of the Plan areas follows:

Valuation Date..................... June 30, 2021

Measurement Date............... June 30, 2022

Discount Rate .... 4.09% [1] for benefits provided by The City and Component Units. Results as of the June 30, 2021, Measurement Date are presented at 2.19% for benefits provided by The City, and 2.18% for Component Units.

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.

[1] As required under GASB 75 this is a weighted blend of the 4.00% return on assets for OPEB plan investments and the S&P Municipal Bond 20 Year High Grade Index yield as of June 30, 2022 of 4.09%

Plan	Monthly Costs @ Average Age FY 2022	FY 2021
HIP HMO		
Non-Medicare Single	$ 819.68	$ 776.01
Non-Medicare Family	2,008.22	1,901.23
Medicare	190.47	181.58
GHI/EBCBS		
Non-Medicare Single	854.44	775.66
Non-Medicare Family	2,242.05	2,035.61
Medicare	201.80	194.14
Other HMOs [1]		
Non-Medicare Single	1,242.93	1,160.34
Non-Medicare Family	3,440.67	2,701.42
Medicare Single	291.71	291.83
Medicare Family	580.41	576.92

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:

Plan	Monthly Costs @ Average Age 65 FY 2022	FY 2021
HIPHMO		
Non-Medicare	$ 1,734.61	$ 1,748.12
Medicare	190.47	181.58
GHI/EBCBS		
Non-Medicare	1,833.91	1,784.57
Medicare	192.08	191.63
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 FY 2022 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.

The premium rate for the HIP Medicare HMO was indicated to be $7.50/month per person based on the assumption that the MA plan would be implemented in FY 2022. HIP clarified that given the uncertainty surrounding the implementation of the MA plan, the renewal rate was likely to be comparable to the prior year's rate of $181.58. As such, the FY 2022 valuation assumed the prior year's rate of $181.58 with trend.

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, 2022, (including any reported retroactive amounts) was trended back to the valuation date, June 30, 2021, 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 2022 GASB 74/75 report in Section VIII, Tables VIII-b to VIII-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.

	FY 2022	FY 2021
NYCERS	$ 1,858	$ 1,894
TRS	1,763	1,824
BERS	1,907	1,932

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

Calendar Year	**Month Premium**
2017	113.63
2018	125.85
2019	134.43
2020	143.21
2021	146.97
2022	167.82

Medicare Part B Premium reimbursement amounts have been updated to reflect actual premium rates announced for calendar years through 2022. Due to limited cost-of-living adjustment in Social Security benefits, some Medicare Part B participants will not be charged the Medicare Part B premium originally projected or ultimately announced for those years. Thus, the valuation uses a blended estimate as a better representation of future Part B premium costs.

For the Fiscal Year 2022 OPEB valuation the annual premium used was $1,888.80, which is equal to 12 times an average of the Calendar Years 2021 and 2022 monthly premiums shown.

For Calendar Year 2022, the monthly premium of $167.82 was determined as follows:

- 3.5% of the basic $104.90 monthly hold-harmless amount, assuming that there would be no claims made for the slight increase in Part B premiums for continuing retirees, and
- 96.5% of the announced premium of $170.10 for Calendar Year 2022, representing the proportion of the Medicare population that will pay the announced amount.

The Calendar Year 2021 monthly premium of $146.97 was determined similarly, using 3.5% of the $104.90 hold-harmless and 96.5% of the $148.50 rate that was in effect for Calendar Year 2021.

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 was updated from the previous valuation to reflect more recent experience.

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”)................................ No changes were made to the Medicare Part B Premium Welfare Fund contributions or medical trends for the Fiscal Year 2022 valuation.

Year Ending	**Pre-Medicare Plans**	**Medicare Plans**	**Medicare Part B Premium**	**Welfare Fund Contributions**
2022	6.50	4.90	5.29[1]	3.50
2023	6.25	4.80	5.00	3.50
2024	6.00	4.80	5.00	3.50
2025	5.75	4.70	5.00	3.50
2026	5.50	4.70	5.00	3.50
2027	5.25	4.60	5.00	3.50
2028	5.00	4.60	5.00	3.50
2029	4.75	4.50	5.00	3.50
2030 and later	4.50	4.50	5.00	3.50

(1) Reflects actual calendar year premium for the first 6 months of FY23 (July 2022 to December 2022) and 5.0% trend for the remaining 6 months

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

In recent years Medicare Part B premium increases have averaged between 4% 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 will remain flat for 2023, beyond that point they expect the increases to average 5.4% out to 2031. These increases do not account for the hold harmless provision which may mitigate.

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 $391.39 out of $854.44 for single coverage, and $1,038.14 out of $2,242.05 for family coverage for FY 2022 rates. The Non-Medicare EBCBS portion is the remainder of the premiums, The Medicare GHI portion is $112.50 out of the $201.80 for FY 2022 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	FY 2022	FY 2021
NYCERS	13%	10%
TRS	13%	6%
BERS	15%	12%

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	2	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			
Other HMO to GHI	-	-	-
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 .... Certain dependent related assumptions have been updated since the prior valuation to reflect more recent experience.

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. The average dependent Coverage Period assumption has been updated since the prior valuation to reflect more recent experience.

NYCRS Group	FY 2022	FY 2021
NYCERS	8 years	8 years
TRS	7 years	8 years
BERS	7 years	8 years

Dependent allocation assumptions have been updated since the prior valuation to reflect more recent experience, including the dependent coverage tier assumption in the event of the accidental death.

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 FY2022.

Demographic Assumption .... The actuarial assumptions used in the FY 2022 OPEB valuation are a combination of the demographic assumptions used in the NYCRS pension actuarial valuations and certain OPEB-specific assumptions, as detailed below.

For FY 2019, the OA conducted a full review of the actuarial assumptions and methods used to fund the NYCRS. These recommendations were adopted by all five of the NYCRS Boards and referred to as the 2019 A&M Reports. On July 27, 2021, the Chief Actuary issued a memorandum that amended certain assumptions and methods from the 2019 A&M. This revised set of actuarial assumptions and methods are referred to as the "Revised 2021 A&M."

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 .... There is no cost to The City for COBRA beneficiaries who enroll in community-rated HMO's, including HIP. However, there is a cost under the experience rated GHI/EBCBS coverage.

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 $1,475 was assumed for terminations during Fiscal Year 2022. 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 is no longer treated as a separate status as of June 30, 2020. Those 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.
Stabilization Fund......................	A 0.5% load is applied on all City GASB 75 obligations to reflect certain benefits paid for retirees directly from the Stabilization Fund which is a 0.1% increase from the Fiscal Year 2021 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 2018 through 2022 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, 2020 actuarial valuation was used for determining the Fiscal Year 2022 Statutory Contributions. Statutory Contributions are determined annually to be an amount that, together with member contributions and investment income, provides for QPP assets to be sufficient to pay benefits when due.

The aggregate Statutory Contributions due to each QPP from participating employers for Fiscal Years 2022 and 2021 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 2022	Aggregate Statutory Contribution 2021
TRS	$ 3,304	$ 2,992
BERS	262	174
Total	$ 3,566	$ 3,166

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, 2022 and 2021 were as follows (in thousands):

	TRS - Net Pension (Asset) Liability		BERS - Net Pension (Asset) Liability	
	2022	2021	2022	2021
Balance at June 30	$ 67,991	$ 15,139,960	$ (1,205,305)	$ 264,485
Service cost	1,553,088	1,517,150	172,601	166,590
Interest	3,694,152	6,826,433	376,440	385,575
Change of benefit terms	13,483	-	15,261	-
Difference between expected and actual experience	(284,440)	(376,197)	(35,034)	36,241
Change of assumption	-	(323,253)	-	(809)
Contribution - employer	(3,154,514)	(2,991,584)	(252,456)	(173,910)
Contribution - other employer	(57,844)	(58,906)	-	-
Contribution - employees	(261,319)	(236,673)	(47,711)	(45,739)
Net investment income	10,363,425	(21,363,072)	773,197	(1,796,053)
Payment of interest on TDA fixed funds	2,043,913	1,909,034	183,811	163,287
Administrative expenses	68,260	65,055	34,218	23,927
Other changes	435	9,290	119,480	(227,918)
Net changes	13,978,639	(15,022,723)	1,339,807	(1,468,809)
Subtotal at June 30	14,046,630	117,237	134,502	(1,204,324)
Change in proportionate share	(34)	(49,246)	(14,803)	(981)
Net balance at June 30	$ 14,046,596	$ 67,991	$ 119,699	$ (1,205,305)

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, 2022		June 30, 2021	
	TRS	BERS	TRS	BERS
DOE's proportionate share of the net pension (asset) liability	95.5%	96.2%	95.5%	95.0%
DOE's proportionate share of the net pension (asset) liability	$ 14,046,596	$ 119,699	$ 67,991	$ (1,205,305)

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, 2022 and 2021 for each QPP were as follows ($000 omitted):

	2022		2021	
	TRS	BERS	TRS	BERS
Difference between Expected and Actual Experience	$ 1,877,815	$ 71,473	$ 2,098,349	$ 77,123
Change of Assumptions	631,045	98,672	771,879	148,106
Net difference between projected and Actual Earning on Pension Plan Investment	-	-	13,870,335	1,245,298
Change in Proportion and Differences between Employer Contribution and Proportion Share of Contribution	(2,787)	690	(475)	(527)
Deferred inflows of Resources	$ 2,506,073	$ 170,835	$ 16,740,088	$ 1,470,000

Deferred outflows of resources by source reported by the DOE at June 30, 2022 and 2021 for each QPP were as follows (in thousands):

	2022		2021	
	TRS	BERS	TRS	BERS
Difference between Expected and Actual Experience	$ 160,448	$ 71,558	$ 294,301	$ 101,968
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 SI Share of Contributions	(112,295)	111	(114,754)	(3,541)
Deferred outflows of Resources	$ 1,400,880	$ 150,524	$ 179,547	$ 98,427

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2022 will be recognized as pension expenses as follows (in thousands):

Year ending June 30:	**TRS**	**BERS**
2023	$ (1,316,172)	$ (129,908)
2024	(1,032,228)	(87,280)
2025	(967,623)	(51,205)
2026	2,575,213	252,297
2027	(132,576)	(4,416)
Thereafter	(169,418)	-
Total	$ (1,042,804)	$ (20,512)

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, 2022 and 2021 were as follows (in thousands):

	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 (asset) liability at June 30, 2022	$ 14,046,596	$ 119,699	$ 14,166,295

	2021		
	TRS	BERS	Total
Net pension liability at June 30, 2020	$ 15,139,960	$ 264,485	$ 15,404,445
Employer contribution	(2,991,583)	(173,910)	(3,165,493)
Other employer contribution	(58,906)	-	(58,906)
Pension expense	(1,007,685)	(430,761)	(1,438,446)
Deferred outflows of resources (net)	(193,933)	3,775	(190,158)
Deferred inflows from pension (net)	(10,819,862)	(868,894)	(11,688,756)
Net pension (asset) liability at June 30, 2021	$ 67,991	$ (1,205,305)	$ (1,137,314)

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:

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.

1. 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.

2. 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 remains in effect for The City. The City's state of emergency was extended through December 21, 2022. It has been extended approximately monthly during the pandemic and may be extended beyond the current expiration date.

Although restrictions have been partially lifted for schools, the DOE continues to experience significant challenges due to COVID-19. 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. Additional changes in student enrollment, children of asylum seekers, and the DOE's FY23 budget no assurance can be provided that the COVID-19 pandemic and resulting economic disruption will not result in revenues to The City and the DOE that are lower than projected.

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, as of June 2022, the DOE has received approximately:

- $1.15 billion in reimbursed funds from the U.S. Department of Education's Education Stabilization Fund, which is composed of the Governor's Emergency Education Relief Fund, the Elementary and Secondary School Emergency Relief Fund, and the Higher Education Emergency Relief Fund.

- $834.30 million in reimbursed funds from the U.S. Department of Education's Summer Food Service Program.

ANNUAL FINANCIAL STATEMENTS

Department of Education of The City of New York

For the Fiscal Years Ended June 30, 2022 and 2021

Required Supplementary Information

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

Schedule of the Net OPEB Liability (Unaudited)
(in thousands):

	2022	2021
Total OPEB Liability		
Service Cost	$ 2,144,077	$ 1,867,936
Interest	917,053	1,016,909
Differences between Expected and Actual Experience	(1,208,789)	72,118
Changes in Assumptions	(10,266,759)	1,039,932
Benefit Payments	(1,113,898)	(1,038,029)
Change in Estimate	-	733,517
Net Changes in Total OPEB Liability	**$ (9,528,316)**	**$ 3,692,383**
Total OPEB Liability - Beginning	**$ 40,284,400**	**$ 36,592,017**
Total OPEB Liability - Ending	**$ 30,756,084**	**$ 40,284,400**
Plan Fiduciary Net Position		
Contributions - Employer	$ 1,139,207	$ 900,398
Net Investment Income	1,012	1,240
Benefit Payments	(1,113,898)	(1,038,029)
Administrative Expenses	(18)	(18)
Other Changes	(57)	(57)
Change in Estimate	-	304,486
Net Changes in Plan Fiduciary Net Position	**$ 26,246**	**$ 168,020**
Plan Fiduciary Net Position - Beginning	**$ 1,302,179**	**$ 1,134,159**
Plan Fiduciary Net Position - Ending	**$ 1,328,425**	**$ 1,302,179**
Net OPEB Liability	**$ 29,427,659**	**$ 38,982,221**

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 (Unaudited)
(in thousands):

	TRS		BERS	
	2022	2021	2022	2021
DOE's proportion of the net pension liability	95.5%	95.5%	96.2%	95.0%
DOE's proportionate share of the net pension (asset) / liability	$ 14,046,596	$ 67,991	$ 119,699	$ (1,205,305)
DOE's covered-employee payroll	11,119	10,864	1,484	1,476
DOE's proportionate share of the net pension liability as a percentage of its covered-employee payroll	128.2%	0.6%	8.4%	-85.9%
Plan fiduciary net position as percentage of the total pension liability	81.3%	99.9%	97.9%	122.0%

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)	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
TRS										
Contractually required contribution	$ 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	$ 2,777,966
Contributions in relation to the contractually required contribution	$ 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	$ 2,777,966
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	$ 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	$ 7,683,456
Contributions as a percentage of covered-employee payroll	28.79%	27.94%	32.99%	35.56%	42.18%	44.07%	44.71%	40.42%	37.53%	36.16%
BERS										
Contractually required contribution	$ 262,279	$ 182,855	$ 257,367	$ 269,594	$ 318,540	$ 288,116	$ 265,497	$ 258,055	$ 214,574	$ 196,231
Contributions in relation to the contractually required contribution	$ 262,279	$ 182,855	$ 257,367	$ 269,594	$ 318,540	$ 288,116	$ 265,497	$ 258,055	$ 214,574	$ 196,231
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered-employee payroll	$ 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	$ 885,491
Contributions as a percentage of covered-employee payroll	17.68%	12.39%	19.03%	21.34%	28.92%	27.40%	26.35%	25.39%	21.70%	22.16%

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited), Continued

Notes to Schedule C:

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 2023 contributions were determined using an actuarial valuation as of June 30, 2021). The methods and assumptions used to determine the actuarially determined and contractually required contributions are as follows:

Fiscal Year	2023	2022	2021	2020	2019	2018
Valuation Dates	June 30, 2021 (Lag)	June 30, 2020 (Lag)	June 30, 2019 (Lag)	June 30, 2018 (Lag)	June 30, 2017 (Lag)	June 30, 2016 (Lag)
Actuarial cost method[1]	Entry Age	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	Increasing Dollar Payments
Post-2010 UALs	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments	Level Dollar Payments
Remaining amortization period:						
Initial 2010 UAL	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)
2010 ERI	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)	0 Year (Closed)
2011 (G)/L	5 Years (Closed)	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)
2012 (G)/L	6 Years (Closed)	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)
2013 (G)/L	7 Years (Closed)	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)
2013 Transit Refunds	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	0 Years (Closed)	1 Years (Closed)	2 Years (Closed)
2014 (G)/L	8 Years (Closed)	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)
2014 Assumption Change	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)
2015 (G)/L	9 Years (Closed)	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)
2016 (G)/L	10 Years (Closed)	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2017 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2017 Assumption Change	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2017 Method Change	16 Years (Closed)	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA
2018 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2019 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2019 Assumption Change	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2019 Method Change	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2020 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA	NA
2021 (G)/L	15 Years (Closed)	NA	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	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)	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	Tables adopted by Board of Trustees during Fiscal Year 2016

[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

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

[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 ca

Notes to Schedule C:

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 2023 contributions were determined using an actuarial valuation as of June 30, 2021). The methods and assumptions used to determine the actuarially determined and contractually required contributions are as follows:

Fiscal Year	2017	2016	2015	2014	2013
Valuation Dates	June 30, 2015 (Lag)	June 30, 2014 (Lag)	June 30, 2013 (Lag)	June 30, 2012 (Lag)	June 30, 2011 (Lag)
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	17 Years (Closed)	18 Years (Closed)	19 Years (Closed)	20 Years (Closed)	21 Years (Closed)
2010 ERI	1 Year (Closed)	2 Years (Closed)	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)
2011 (G)/L	11 Years (Closed)	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)
2012 (G)/L	12 Years (Closed)	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA
2013 (G)/L	13 Years (Closed)	14 Years (Closed)	15 Years (Closed)	NA	NA
2013 Transit Refunds	3 Years (Closed)	4 Years (Closed)	5 Years (Closed)	NA	NA
2014 (G)/L	14 Years (Closed)	15 Years (Closed)	NA	NA	NA
2014 Assumption Change	19 Years (Closed)	20 Years (Closed)	NA	NA	NA
2015 (G)/L	15 Years (Closed)	NA	NA	NA	NA
2016 (G)/L	NA	NA	NA	NA	NA
2017 (G)/L	NA	NA	NA	NA	NA
2017 Assumption Change	NA	NA	NA	NA	NA
2017 Method Change	NA	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
Actuarial Asset Valuation Method[2]	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 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 2016	Tables adopted by Board of Trustees during Fiscal Year 2016	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012

Notes to Schedule C: (Unaudited)

Fiscal Year	2023	2022	2021	2020	2019	2018
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	Tables adopted by Board 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	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	1.5% per annum for AutoCola. 2.5% per annum for Escalation

Notes to Schedule C: (Unaudited)

Fiscal Year	**2017**	**2016**	**2015**	**2014**	**2013**
Active service: withdrawal, death disability, service retirement[4]	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Board of Trustees during Fiscal Year 2012	Tables adopted by Boards of Trustees during Fiscal Year 2012	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, 2022 and 2021

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 2018 through Fiscal Year 2022, as of June 30, 2022. 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 categorieswith expenses that are projected to be in excess of budget appropriations.

General Fund
Schedule of Aged Receivables as of June 30, 2022
With Comparative Totals to 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

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

	UOA	Modified Budget	Expenditures	Favorable (Unfavorable)
	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	Favorable (Unfavorable)
	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
	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	Favorable (Unfavorable)
	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	Judgments and claims	-	-	-
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	Favorable (Unfavorable)
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

(Concluded)

General Fund
Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2021
(in thousands):

	UOA	Modified Budget	Expenditures	Favorable (Unfavorable)
	GENERAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:			
401	Salaries	$ 6,955,911	$ 7,226,581	$ (270,670)
402	Supplies	154,269	163,402	(9,133)
402	Furniture and equipment	105,235	105,921	(686)
402	Textbooks	95,799	46,170	49,629
402	Contractual services	398,340	496,413	(98,073)
	Total	7,709,554	8,038,487	(328,933)
	SPECIAL EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:			
403	Salaries	2,206,602	2,255,870	(49,268)
404	Supplies	3,271	2,752	519
404	Furniture and equipment	2,189	1,925	264
404	Textbooks	347	-	347
404	Contractual services	1,803	1,456	347
	Total	2,214,212	2,262,003	(47,791)
	CHARTER SCHOOLS:			
406	Supplies	1,959	2,414	(455)
406	Textbooks	8,438	6,932	1,506
406	Contractual services	2,636,717	2,630,434	6,283
	Total	2,647,114	2,639,780	7,334
	UNIVERSAL PRE-K:			
407	Salaries	597,826	653,982	(56,156)
408	Supplies	14,762	12,686	2,076
408	Furniture and equipment	7,108	1,009	6,099
408	Textbooks	314	187	127
408	Contractual services	432,291	429,665	2,626
	Total	1,052,301	1,097,529	(45,228)
	EARLY CHILDHOOD PROGRAMS:			
409	Salaries	91,254	80,609	10,645
410	Supplies	7,438	1,067	6,371
410	Furniture and equipment	81	67	14
410	Textbooks	54	16	38
410	Contractual services	485,488	476,256	9,232
	Total	584,315	558,015	26,300

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund
Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2021
(in thousands):

	UOA	Modified Budget	Expenditures	Favorable (Unfavorable)
	SCHOOL SUPPORT ORGANIZATION:			
415	Salaries	$ 315,034	$ 323,293	$ (8,259)
416	Supplies	717	2,644	(1,927)
416	Furniture and equipment	1,269	1,400	(131)
416	Textbooks	70	276	(206)
416	Contractual services	21,394	13,307	8,087
	Total	338,484	340,920	(2,436)
	CITYWIDE EDUCATION INSTRUCTION AND SCHOOL LEADERSHIP:			
421	Salaries	1,261,401	1,305,541	(44,140)
422	Supplies	7,507	6,427	1,080
422	Furniture and equipment	5,715	3,910	1,805
422	Textbooks	1,186	682	504
422	Contractual services	7,136	4,287	2,849
	Total	1,282,945	1,320,847	(37,902)
	SPECIAL EDUCATION INSTRUCTIONAL SUPPORT:			
423	Salaries	388,980	396,906	(7,926)
424	Supplies	3,390	1,736	1,654
424	Furniture and equipment	9,448	2,024	7,424
424	Textbooks	1	-	1
424	Contractual services	242,489	211,499	30,990
	Total	644,308	612,165	32,143
	SCHOOL FACILITIES:			
435	Salaries	188,537	185,505	3,032
436	Supplies	162,629	172,301	(9,672)
436	Furniture and equipment	3,713	2,950	763
436	Contractual services	859,364	884,987	(25,623)
436	Judgments and claims	-	-	-
436	Pollution remediation	56,901	56,901	-
	Total	1,271,144	1,302,644	(31,500)

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund

Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2021 (in thousands):

	UOA	Modified Budget	Expenditures	Favorable (Unfavorable)
	PUPIL TRANSPORTATION:			
438	Supplies	$ 1,239	$ 900	$ 339
438	Equipment	4,521	197	4,324
438	Contractual services	8,466	7,664	802
438	Judgments and claims	-	-	-
438	Pupil transportation	1,530,962	1,446,152	84,810
	Total	1,545,188	1,454,913	90,275
	SCHOOL FOOD SERVICES:			
439	Salaries	233,202	226,508	6,694
440	Supplies	27,723	14,875	12,848
440	Food purchases	135,344	153,384	(18,040)
440	Furniture and equipment	3,813	1,701	2,112
440	Contractual services	15,711	16,611	(900)
		415,793	413,079	2,714
442	SCHOOL SAFETY	417,308	364,197	53,111
444	ENERGY AND LEASES	615,692	605,406	10,286
	CENTRAL ADMINISTRATION:			
453	Salaries	199,099	248,342	(49,243)
454	Supplies	14,550	35,262	(20,712)
454	Furniture and equipment	2,917	4,487	(1,570)
454	Judgments and claims	98	1,442	(1,344)
454	Contractual services	191,510	128,196	63,314
454	Fixed charges	46	377	(331)
	Total	408,220	418,106	(9,886)
461	FRINGE BENEFITS	3,603,082	3,700,522	(97,440)
	PRE-KINDERGARTEN:			
470	CONTRACTS	784,022	724,636	59,386
470	CONTRACTS	-	5,000	(5,000)
		784,022	729,636	54,386

(Continued)

DEPARTMENT OF EDUCATION OF THE CITY OF NEW YORK

General Fund
Schedule of Budgeted and Actual Expenditures for the Year Ended June 30, 2021
(in thousands):

	UOA	Modified Budget	Expenditures	Favorable (Unfavorable)
472	CONTRACT SCHOOLS AND FOSTER CARE	$ 1,078,295	$ 1,215,571	$ (137,276)
474	NON-PUBLIC SCHOOLS AND FIT PAYMENTS	98,717	84,187	14,530
	TOTAL TAX LEVY	26,710,694	27,158,007	(447,313)
	CATEGORICAL PROGRAMS:			
481	Salaries	938,953	929,436	9,517
482	Supplies	300,309	296,325	3,984
482	Furniture and equipment	23,737	30,597	(6,860)
482	Contractual	462,149	449,677	12,472
482	Judgments and claims	-	-	-
482	Pension	112,330	112,330	-
	Total categorical programs	1,837,478	1,818,365	19,113
	TOTAL APPROPRIATIONS EXPENDED	28,548,172	28,976,372	(428,200)
	INTRA-CITY SALES	(66,936)	(62,773)	(4,163)
	Sub-total	28,481,236	28,913,599	(432,363)
	NET CHANGE IN PRIOR PAYABLES	-	(194,227)	194,227
	PROPORTIONATE SHARE OF PENSIONS AND OPEB:			
	Pensions	3,224,399	3,224,399	-
	OPEB	900,398	900,398	-
	Total expenditures	$ 32,606,033	$ 32,844,169	$ (238,136)

(Concluded)

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