



**NYC SCHOOL SUPPORT SERVICES, INC.
(A COMPONENT UNIT OF THE CITY OF NEW YORK)**

**Financial Statements with Supplementary Information
(Together with Independent Auditors' Report)**

Years Ended June 30, 2025 and 2024

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

FINANCIAL STATEMENTS WITH SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2025 AND 2024

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CBIZ CPAs P.C.

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors of
NYC School Support Services, Inc.
New York, NY

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and general fund of NYC School Support Services, Inc. ("NYCSSS"), a component unit of The City of New York, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise NYCSSS' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of NYCSSS as of June 30, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of NYCSSS, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 2E to the basic financial statements, in 2024, the NYCSSS adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 NYCSSS' 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.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 NYCSSS' 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 NYCSSS' 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 audits.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, the schedules of employer's required contributions – last 10 fiscal years on page 24, the schedules of employer's proportionate share of the net pension liability – last 10 fiscal years on page 25 and the schedules of employer's pension contributions – last 10 fiscal years on page 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

CBIZ CPAs P.C.

New York, NY
September 12, 2025

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024
(Unaudited)

NYC School Support Services, Inc. ("NYCSSS" or the "Corporation") has a contract with The City of New York ("City") that was registered on April 28, 2016, and NYCSSS began operations on May 26, 2016. The original contract, which terminated on June 30, 2020, was renewed and extended through June 30, 2028, with the option to renew it for two additional one-year periods. Pursuant to this contract, NYCSSS receives monthly payments equal to its projected expenses for the forthcoming month and these contractual payments are NYCSSS' sole source of revenue.

The following is a narrative overview and analysis of the financial activities of NYCSSS for the fiscal years ended June 30, 2025 and 2024. It should be read in conjunction with NYCSSS' government-wide financial statements, general fund financial statements and the notes to the financial statements. The financial statements consist of four parts: (1) required supplementary information, including management's discussion and analysis (this section), and pension information; (2) the government-wide financial statements; (3) the general fund financial statements; and (4) the notes to the financial statements.

The government-wide financial statements, which include the statements of net position (deficit) and the statements of activities, are presented to display information about the reporting entity as a whole, in accordance with Governmental Accounting Standards Board ("GASB") standards. This is to provide the reader with a broad overview of NYCSSS' finances. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

NYCSSS' general fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting, in which revenue is recognized when it becomes susceptible to accrual; that is, when it becomes both measurable and available to finance expenditures in the current fiscal period. Expenditures are recognized when the related liability is incurred, except for lease liabilities, accrued vacation and sick pay and pension obligations, which are not reflected as a liability in the general fund financial statements as they are not due and payable from current financial resources.

The reconciliations of the general fund balance sheets to the statements of net position (deficit) and the reconciliations of the general fund statements of revenues, expenditures and changes in fund balance to the statements of activities are presented to assist the reader in understanding the differences between the government-wide and general fund financial statements.

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS

Key financial highlights for the fiscal year ended June 30, 2025 are as follows:

- ❖ During the year ended June 30, 2025, NYCSSS adopted the provisions of GASB No. 101, *Compensated Absences* effective July 1, 2024. This required retrospective adjustments to the amounts presented as of and for the year ended June 30, 2024 and as of July 1, 2024. Amounts that were previously reported within this section have been restated to reflect the retrospective adjustment to provide a comparative assessment of NYCSSS' operations and performance. See Note 2E to the financial statements for more information.
- ❖ On the government-wide financial statements, the liabilities and deferred inflows of resources of NYCSSS exceed its assets and deferred outflows of resources by \$104,477,871. The change in net position was \$586,270, which decreased the net deficit as of June 30, 2025. The reason for the decrease in net position is due to an increase in accrued salaries and employee benefits, accrued vacation and sick pay, offset by a decrease in the overall pension changes related to GASB 68, *Accounting and Financial Reporting for Pensions*. The pension changes are determined by an actuary and fluctuate from year to year based upon changes in census data and other economic factors, as determined by the actuary.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024
(Unaudited)

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

The following summarizes the governmental activities of NYCSSS for the years ended June 30, 2025, 2024 and 2023:

	<u>2025</u>	<u>(As Restated) 2024</u>	<u>(As Restated) 2023</u>
REVENUES:			
Program revenues from The City of New York			
Department of Education	\$ 802,680,672	\$ 762,731,011	\$ 736,858,272
Interest income	4,678,501	4,686,444	3,147,046
TOTAL REVENUES	<u>807,359,173</u>	<u>767,417,455</u>	<u>740,005,318</u>
EXPENSES:			
Salaries and employee benefits - schools	797,689,161	767,084,942	764,121,837
Salaries and employee benefits - administrative	3,254,576	3,238,528	3,526,342
Professional fees	1,941,003	2,158,689	2,102,589
Insurance	735,554	663,576	766,975
Office and other expenses	2,857,412	567,507	786,450
Amortization expense (Note 4)	279,818	279,818	279,818
Interest expense (Note 4)	15,379	25,711	31,619
TOTAL EXPENSES	<u>806,772,903</u>	<u>774,018,771</u>	<u>771,615,630</u>
CHANGE IN NET POSITION (DEFICIT)	<u>\$ 586,270</u>	<u>\$ (6,601,316)</u>	<u>\$ (31,610,312)</u>

At the end of the fiscal year, payments and expenses are adjusted to reflect actual costs incurred by NYCSSS. Therefore, NYCSSS' revenues match its expenses, except for the change in the accrued vacation and sick pay liability and the net pension liability. The accrued vacation and sick pay liability and the net pension liability are not due and payable from current financial resources and are not currently funded by program revenues from the City.

During fiscal year 2025, NYCSSS reported \$802.7 million in contractual payments from the City. Program revenue is paid monthly and is based on projected subsequent month expenditures currently due and payable. As a result, NYCSSS' net deficit at year-end of \$104.5 million is equal to accrued vacation and sick pay liability, the net pension liability and related deferred outflows and deferred inflows of resources, and the difference between the lease asset, net and lease liability (required by GASB 87, *Leases*) at year-end which are payable at some point in the future.

During fiscal year 2024, NYCSSS reported \$762.7 million in contractual payments from the City. Program revenue is paid monthly and is based on projected subsequent month expenditures currently due and payable. As a result, NYCSSS' net deficit at year-end of \$105.0 million is equal to accrued vacation and sick pay liability, the net pension liability and related deferred outflows and deferred inflows of resources, and the difference between the lease asset, net and lease liability (required by GASB 87, *Leases*) at year-end which are payable at some point in the future.

Total expenses primarily consisted of salaries and supplemental benefits in connection with NYCSSS accomplishing its mission. Total expenses incurred during fiscal years 2025 and 2024 were approximately \$806.8 million and \$774.0 million, respectively. Increases in salaries and employee benefits are due to an increase in salary rates and increased labor force and due to the effect of additional accruals for compensated absences brought by the GASB 101 implementation. Those increases are offset by additional accruals for compensated absences offset by the changes in the net pension liability and related amounts required by GASB 68.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024
(Unaudited)

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

The following summarizes the assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position (deficit) as of June 30, 2025, 2024 and 2023:

	2025	(As Restated) 2024	(As Restated) 2023
ASSETS:			
Cash and cash equivalents	\$ 53,408,598	\$ 51,984,555	\$ 46,211,692
Due from The City of New York Department of Education	2,680,670	3,527,411	-
Prepaid expenses	123,278	127,996	1,836,792
Lease asset, net (Notes 2C and 4)	93,271	373,089	652,907
TOTAL ASSETS	<u>56,305,817</u>	<u>56,013,051</u>	<u>48,701,391</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>24,495,603</u>	 <u>41,787,204</u>	 <u>107,151,249</u>
 LIABILITIES:			
Accounts payable and accrued expenses	386,137	42,356	40,645
Due to The City of New York Department of Education	-	-	547,384
Accrued salaries and employee benefits	55,826,409	55,597,606	47,460,455
Accrued vacation and sick pay	91,207,066	81,599,675	72,518,431
Lease liability (Notes 2C and 4)	130,263	453,643	758,427
Net pension liability	28,214,280	60,989,257	79,853,743
TOTAL LIABILITIES	<u>175,764,155</u>	<u>198,682,537</u>	<u>201,179,085</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>9,515,136</u>	 <u>4,181,859</u>	 <u>53,136,380</u>
 TOTAL NET POSITION (DEFICIT)	 <u><u>\$ (104,477,871)</u></u>	 <u><u>\$ (105,064,141)</u></u>	 <u><u>\$ (98,462,825)</u></u>

As of June 30, 2025, NYCSSS' assets totaled \$56 million. Assets increased because of an increase in cash and cash equivalents held at year-end as a result of the timing of payroll expenditures, offset by the decrease in the amount owed from The City of New York Department of Education because of the timing of expenditures and advances. Liabilities as of June 30, 2025 were \$175.8 million, a decrease of \$22.9 million. The decrease is the result of changes in the actuarial calculations related to the net pension liability, offset by an increase in accrued salaries and employee benefits and an increase in accrued vacation and sick pay. Those net pension liability changes are offset and will be deferred and amortized in the future and are recorded in deferred outflows and deferred inflows of resources. The net pension liability is measured as of June 30, 2024 and reflected greater than anticipated market performance.

As of June 30, 2024, NYCSSS' assets totaled \$56 million. Assets increased because of an increase in cash and cash equivalents held at year-end as a result of the timing of payroll expenditures and an increase in the amount owed from The City of New York Department of Education because of the timing of expenditures and advances, offset by a decrease in the amount of prepaid insurance payments. Liabilities as of June 30, 2024 were \$198.7 million, a decrease of \$2.5 million. The net decrease is the result of changes in actuarial calculations related to the net pension liability, offset by an increase in accrued salaries and employee benefits and an increase in accrued vacation and sick pay brought by the adjustment made for GASB 101 implementation. Those net pension liability changes are offset and will be deferred and amortized in the future and are recorded in deferred outflows and deferred inflows of resources. The net pension liability is measured as of June 30, 2023 and reflected greater than anticipated market performance.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024
(Unaudited)

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

The following summarizes the changes in the general fund ("GF") for the years ended June 30, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues:			
Program revenues from The City of New York			
Department of Education	\$ 802,680,672	\$ 762,731,011	\$ 736,858,272
Interest income	4,678,501	4,686,444	3,147,046
Total revenues	<u>807,359,173</u>	<u>767,417,455</u>	<u>740,005,318</u>
Expenditures:			
Salaries and employee benefits - schools	798,231,869	760,458,659	732,617,045
Salaries and employee benefits - administrative	3,254,576	3,238,528	3,526,342
Professional fees	1,941,003	2,158,689	2,102,589
Insurance	735,554	663,576	766,975
Office and other expenses	2,857,412	567,507	786,450
Capital expenditures	-	-	932,725
Principal	323,380	304,785	174,298
Interest	15,379	25,711	31,619
Total expenditures	<u>807,359,173</u>	<u>767,417,455</u>	<u>743,040,632</u>
Other Financing Sources:			
Issuance of lease liability	-	-	932,725
Total other financing sources	<u>-</u>	<u>-</u>	<u>932,725</u>
Net Change in Fund Balance	-	-	(2,102,589)
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,102,589)</u>

Revenues recorded in the GF are primarily composed of contractual payments from the City each year. Program revenue is paid monthly and is based on actual monthly expenditures. As such, there is no change in fund balance created.

Total expenditures primarily consisted of salaries and supplemental benefits for union custodial helpers in connection with NYCSSS accomplishing its mission. Expenditures incurred during fiscal years 2025 and 2024 were \$807.4 million and \$767.4 million, respectively. The increase can be attributed to an increase in salary expense related to increased salary rates and labor forces for the schools in 2025 vs. 2024.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025 AND 2024
(Unaudited)

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

The following summarizes the GF assets, liabilities and fund balances as of June 30, 2025, 2024 and 2023:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets:			
Cash and cash equivalents	\$ 53,408,598	\$ 51,984,555	\$ 46,211,692
Due from The City of New York Department of Education	2,680,670	3,527,411	-
Prepaid expenditures	123,278	127,996	1,836,792
Total Assets	<u>\$ 56,212,546</u>	<u>\$ 55,639,962</u>	<u>\$ 48,048,484</u>
Liabilities:			
Accounts payable and accrued expenses	\$ 386,137	\$ 42,356	\$ 40,645
Due to The City of New York Department of Education	-	-	547,384
Accrued salaries and employee benefits	55,826,409	55,597,606	47,460,455
Total Liabilities	<u>56,212,546</u>	<u>55,639,962</u>	<u>48,048,484</u>
Fund Balance (Deficit):			
Non-spendable	123,278	127,996	1,836,792
Unassigned	<u>(123,278)</u>	<u>(127,996)</u>	<u>(1,836,792)</u>
Total Fund Balance (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 56,212,546</u>	<u>\$ 55,639,962</u>	<u>\$ 48,048,484</u>

The GF assets at June 30, 2025 and 2024 were \$56.2 million and \$55.6 million, respectively. The assets recorded in the GF are cash and cash equivalents, prepaid expenditures, and occasionally a receivable from The City of New York Department of Education, resulting from the timing of collection of revenue and payments of program and operating expenditures during the fiscal year. In some years, advances from the City may exceed expenditures incurred and therefore, a liability is reported and in years where advances from the City are less than expenditures incurred, a receivable is reported.

The total GF liabilities at June 30, 2025 and 2024 were \$56.2 million and \$55.6 million, respectively, and primarily consisted of accrued salaries and employee benefits.

As program revenue is paid monthly and is based on actual monthly expenditures, the GF fund balance was zero as of both June 30, 2025 and 2024.

This financial report is designed to provide a general overview of NYCSSS' finances. Questions concerning any of the information in this report or requests for additional financial information should be directed to the Chief Financial Officer, NYC School Support Services, Inc., 180 Madison Avenue, New York, NY 10016.

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NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

STATEMENTS OF NET POSITION (DEFICIT)
AS OF JUNE 30, 2025 AND 2024

	2025	(As Restated) 2024
ASSETS:		
Cash and cash equivalents (Note 3)	\$ 53,408,598	\$ 51,984,555
Due from The City of New York Department of Education	2,680,670	3,527,411
Prepaid expenses	123,278	127,996
Lease asset, net (Notes 2C and 4)	<u>93,271</u>	<u>373,089</u>
TOTAL ASSETS	<u>56,305,817</u>	<u>56,013,051</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related (Note 5A)	<u>24,495,603</u>	<u>41,787,204</u>
LIABILITIES:		
Accounts payable and accrued expenses	386,137	42,356
Accrued salaries and employee benefits	55,826,409	55,597,606
Accrued vacation and sick pay	91,207,066	81,599,675
Lease liability (Notes 2C and 4)	130,263	453,643
Net pension liability (Note 5A)	<u>28,214,280</u>	<u>60,989,257</u>
TOTAL LIABILITIES	<u>175,764,155</u>	<u>198,682,537</u>
DEFERRED INFLOWS OF RESOURCES:		
Pension related (Note 5A)	<u>9,515,136</u>	<u>4,181,859</u>
NET POSITION (DEFICIT):		
Net investment in capital (lease) asset	(36,992)	(80,554)
Unrestricted	<u>(104,440,879)</u>	<u>(104,983,587)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (104,477,871)</u>	<u>\$ (105,064,141)</u>

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	(As Restated) 2024
REVENUES:		
Program revenues from The City of New York Department of Education	\$ 802,680,672	\$ 762,731,011
Interest income	4,678,501	4,686,444
Total revenues	<u>807,359,173</u>	<u>767,417,455</u>
EXPENSES:		
Salaries and employee benefits - schools (Note 5)	797,689,161	767,084,942
Salaries and employee benefits - administrative	3,254,576	3,238,528
Professional fees	1,941,003	2,158,689
Insurance	735,554	663,576
Office and other expenses	2,857,412	567,507
Amortization expense (Note 4)	279,818	279,818
Interest expense (Note 4)	15,379	25,711
Total expenses	<u>806,772,903</u>	<u>774,018,771</u>
Change in net position (deficit)	<u>586,270</u>	<u>(6,601,316)</u>
Net position (deficit) - beginning of year, as previously reported	(105,064,141)	(73,133,675)
Cumulative effect of change in accounting principle (Note 2E)	<u>-</u>	<u>(25,329,150)</u>
Net position (deficit) - beginning of year, as restated (Note 2E)	<u>(105,064,141)</u>	<u>(98,462,825)</u>
Net position (deficit) - end of year	<u>\$ (104,477,871)</u>	<u>\$ (105,064,141)</u>

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

GENERAL FUND BALANCE SHEETS
AS OF JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>(As Restated) 2024</u>
ASSETS:		
Cash and cash equivalents	\$ 53,408,598	\$ 51,984,555
Due from The City of New York Department of Education	2,680,670	3,527,411
Prepaid expenditures	<u>123,278</u>	<u>127,996</u>
TOTAL ASSETS	<u>\$ 56,212,546</u>	<u>\$ 55,639,962</u>
 LIABILITIES:		
Accounts payable and accrued expenses	\$ 386,137	\$ 42,356
Accrued salaries and employee benefits	<u>55,826,409</u>	<u>55,597,606</u>
TOTAL LIABILITIES	<u>56,212,546</u>	<u>55,639,962</u>
 FUND BALANCE (DEFICIT):		
Non-spendable	123,278	127,996
Unassigned	<u>(123,278)</u>	<u>(127,996)</u>
TOTAL FUND BALANCE (DEFICIT)	<u>-</u>	<u>-</u>
 TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 56,212,546</u>	<u>\$ 55,639,962</u>

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

**RECONCILIATIONS OF THE GENERAL FUND BALANCE SHEETS
TO THE STATEMENTS OF NET POSITION (DEFICIT)
AS OF JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>(As Restated) 2024</u>
Total fund balance - general fund	\$ -	\$ -
Amounts reported for governmental activities in the statements of net position (deficit) are different because:		
Lease assets, net of accumulated amortization used in governmental activities are not financial resources and therefore, are not reported in the governmental funds financial statements	93,271	373,089
Some liabilities are not due and payable in the current period from currently available financial resources and therefore, are not reported in the general fund financial statements. These liabilities consist of:		
Accrued vacation and sick pay	(91,207,066)	(81,599,675)
Lease liability	(130,263)	(453,643)
Pension related items, net	<u>(13,233,813)</u>	<u>(23,383,912)</u>
Net position (deficit) of governmental activities	<u>\$ (104,477,871)</u>	<u>\$ (105,064,141)</u>

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

**GENERAL FUND STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	(As Restated) 2024
REVENUES:		
Program revenues from The City of New York		
Department of Education	\$ 802,680,672	\$ 762,731,011
Interest income	<u>4,678,501</u>	<u>4,686,444</u>
Total revenues	<u>807,359,173</u>	<u>767,417,455</u>
EXPENDITURES:		
Current:		
Salaries and employee benefits - schools	798,231,869	760,458,659
Salaries and employee benefits - administrative	3,254,576	3,238,528
Professional fees	1,941,003	2,158,689
Occupancy	-	-
Insurance	735,554	663,576
Office and other expenses	2,857,412	567,507
Debt Service:		
Principal	323,380	304,785
Interest	<u>15,379</u>	<u>25,711</u>
Total expenditures	<u>807,359,173</u>	<u>767,417,455</u>
Deficiency of revenues under expenditures	-	-
OTHER FINANCING SOURCES:		
Issuance of lease liability	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

**RECONCILIATIONS OF THE GENERAL FUND STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<u>2025</u>	<u>(As Restated) 2024</u>
Net change in fund balance - general fund	\$ -	\$ -
Amounts reported in the statements of activities are different because:		
The general fund reports capital outlays as expenditures. However, in the statements of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. Amortization expense	(279,818)	(279,818)
Accrued vacation and sick pay is reported in the statements of activities on the accrual basis, but is reported as an expenditure in the general fund when the outlay of financial resources is required.	(9,607,391)	(9,081,244)
The issuance of long-term debt (i.e. leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Principal	323,380	304,784
Net pension liability expenses reported in the statements of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the general fund.	<u>10,150,099</u>	<u>2,454,962</u>
Change in net position (deficit) - governmental activities	<u>\$ 586,270</u>	<u>\$ (6,601,316)</u>

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

NYC School Support Services, Inc. (“NYCSSS”) is a Type C not-for-profit corporation organized under the Not-For-Profit Corporation Law of the State of New York (the “State”). NYCSSS is governed by a Board of Directors. The Board consists of five members, two *ex officio* Directors comprised of the individuals holding the following offices who are appointed as Directors of the Corporation by virtue of holding such position; the Chancellor or Acting Chancellor of the City School District of The City of New York or his/her designee; the Director of Management and Budget of The City of New York or his/her designee; and three additional Directors appointed by the Chancellor of the City School District of The City of New York, one of whom shall be a parent representative to the Department of Education. NYCSSS follows Governmental Accounting Standards Board (“GASB”) accounting standards due to the appointment of the Board by a local government, the City School District of The City of New York. Although legally separate from The City of New York (the “City”), NYCSSS is an instrumentality of the City and accordingly, is included in the City’s financial statements as a blended component unit in accordance with GASB standards.

NYCSSS was incorporated for the purpose of providing staffing of custodial helpers for The City of New York Department of Education (“DOE”).

NYCSSS’ contract with the City was registered on April 28, 2016, and NYCSSS began operations on May 26, 2016. The original contract, which originally terminated on June 30, 2020, was renewed and extended through June 30, 2028, with the option to renew for two additional one-year periods. Pursuant to 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting*

The government-wide financial statements of NYCSSS, which include the statements of net position (deficit) and the statements of activities, are presented to display information about the reporting entity as a whole, in accordance with GASB standards. The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

NYCSSS’ general fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes susceptible to accrual, which is when it becomes both measurable and available to finance expenditures in the current fiscal year. Revenues are generally considered available if expected to be received within one year after year end. Expenditures are recognized when the related liability is incurred.

NYCSSS recognizes program revenues equal to the amount of expenditures incurred. Amounts received from the DOE more than expenditures are reported as unearned revenues and applied to the subsequent fiscal year. Any amounts owed from the DOE are recognized as receivables.

The reconciliations of the general fund balance sheets to the statements of net position (deficit) and the reconciliations of the general fund statements of revenues, expenditures and changes in fund balance to the statements of activities are presented to assist the reader in understanding the differences between the government-wide and general fund financial statements.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Balances and Net Position (Deficit)

NYCSSS uses a general fund ("GF") to report its activities. The GF is used to account for all financial resources and activities that relate to NYCSSS' administrative and operating expenditures.

Fund balances are classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned. A fund balance that cannot be spent because it is not in spendable form is defined as nonspendable.

The Board of NYCSSS constitutes NYCSSS' highest level of decision-making authority. If and when resolutions are adopted by the Board that constrain fund balances for a specific purpose, such resources are accounted for and reported as committed for such purpose unless and until a subsequent resolution altering the commitment is adopted by the Board.

If and when fund balances are constrained for use for a specific purpose based on the direction of any officer of NYCSSS, who is duly authorized to direct the movement of such funds, the funds are accounted for and reported as assigned for such purpose, unless or until a subsequent authorized action by the same or another duly authorized officer, or by the Board, is taken which removes or changes the assignment.

Net investment in capital assets consist of lease assets, net of accumulated amortization and is reduced by the outstanding balances of capital related debt.

Resources that are not constrained are reported as unrestricted in the statements of net position (deficit) and unassigned in the general fund balance sheets.

When both restricted and unrestricted resources are available for use for a specific purpose, it is NYCSSS' policy to use restricted resources first then unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use for a specific purpose, it is NYCSSS' policy to use committed resources first, then assigned resources and then unassigned resources as they are needed.

C. Lease Asset and Liability

The lease liability is measured using the present value of the remaining lease payments over the lease term as determined by management after the consideration of options that could extend or reduce the life of the lease. The liability is reduced by principal payments made each year, and interest expenditure/expense is reported based upon the rate of interest used to calculate the lease liability. Lease assets are amortized over the shorter of the life of the lease or the lease term on a straight-line basis.

D. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires NYCSSS' management to make estimates and assumptions in determining the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. New Accounting Pronouncements and Prior Period Adjustments

As a component unit of the City, NYCSSS implements new GASB standards in the same fiscal year as they are implemented by the City. During the year ended June 30, 2025, NYCSSS adopted the following GASB statements:

- NYCSSS implemented GASB Statement No. 101, *Compensated Absences* ("GASB 101"). GASB 101 aligns the recognition and measurement guidance for all types of compensated absences under a unified model, resulting in greater consistency and improved comparability. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. GASB 101 requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled otherwise. GASB 101 also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. These changes were incorporated into NYCSSS' 2025 financial statements retrospectively and the implementation resulted in NYCSSS reporting the inclusion of salary-related payments to the compensated absences liability balance.

GASB 101 requires NYCSSS' financial statements to be adjusted retrospectively. Certain balances reported for the year ended June 30, 2024 have been restated to conform to the requirements of GASB 101 and the following line items have been restated:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Statement of Net Position (Deficit)			
Accrued vacation and sick pay	\$ 52,569,470	\$ 29,030,205	\$ 81,599,675
Unrestricted net position	<u>\$ (75,953,382)</u>	<u>\$ (29,030,205)</u>	<u>\$ (104,983,587)</u>
Statement of Activities			
Salaries and employee benefits - schools	\$ 763,383,887	\$ 3,701,055	\$ 767,084,942
Change in net position (deficit)	<u>\$ (2,900,261)</u>	<u>\$ (3,701,055)</u>	<u>\$ (6,601,316)</u>
Net position (deficit) - beginning of year	<u>\$ (73,133,675)</u>	<u>\$ (25,329,150)</u>	<u>\$ (98,462,825)</u>
Net position (deficit) - end of year	<u>\$ (76,033,936)</u>	<u>\$ (29,030,205)</u>	<u>\$ (105,064,141)</u>

- GASB Statement No. 102, *Certain Risk Disclosures* ("GASB 102"), is effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. NYCSSS is in the process of evaluating the impact, if any, of adopting GASB 102.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. New Accounting Pronouncements and Prior Period Adjustments (Continued)

Other accounting pronouncement that may impact NYCSSS in future years are as follows:

- GASB Statement No. 103, *Financial Reporting Model Improvements* (“GASB 103”), has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The requirements of GASB 103 are effective for the fiscal years beginning after June 15, 2025. NYCSSS has not completed their evaluation of GASB 103 but does not anticipate any material impact.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets* (“GASB 104”), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*. Within the note disclosures for capital assets, information about the following capital assets and the related amortization should be disclosed separately:
 - a) Lease assets reported in accordance with GASB Statement No. 87, *Leases*, by major class of underlying asset;
 - b) Intangible right-to-use assets recognized by an operator in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, by major class of underlying public-public partnership asset;
 - c) Subscription assets reported in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
 - d) Intangible assets other than those described above in (a), (b) and (c), by major class of asset.

GASB 104 also requires a government to evaluate, for each reporting period, whether a capital asset is held for sale. Factors for determining whether a capital asset is held for sale are outlined in the Statement. Capital assets held for sale should continue to be reported within the appropriate major class of capital asset; however, disclosures should be made in the notes to the financial statements, with separate disclosures of historical cost and accumulated depreciation or amortization, by major class of asset. The disclosure of capital assets held for sale should be made for both governmental activities and business-type activities. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. NYCSSS has not completed their evaluation of the potential impact of adopting GASB 104.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of June 30, 2025 and 2024, NYCSSS’ cash was comprised of unrestricted bank deposits in the amounts of approximately \$960,000 and \$946,000, respectively. Of these cash deposits, only \$250,000 was covered by Federal Deposit Insurance Corporation (“FDIC”) insurance. Cash deposits in excess of the \$250,000 coverage were fully collateralized by securities held by the pledging institution at June 30, 2025 and 2024.

As of June 30, 2025 and 2024, NYCSSS’ cash equivalents were held in money market funds in the amounts of approximately \$52,449,000 and \$51,041,000, respectively. NYCSSS categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. NYCSSS’ money market funds are valued based on various active market inputs (Level 1 inputs).

NYC SCHOOL SUPPORT SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 4 – LEASE ASSET AND LIABILITY

NYCSSS executed a lease agreement commencing July 1, 2022 for office space. This lease agreement expires in November 2025. NYCSSS determined the net present value of the lease based on the comparable rates of similar leases using 3.39% and reported a lease liability of \$130,263 and \$453,643 as of June 30, 2025 and 2024, respectively, and a lease asset of \$93,271 and \$373,089 as of June 30, 2025 and 2024, respectively. Total outflows related to the lease agreement are approximately \$339,000 and \$330,000 during the years ended June 30, 2025 and 2024, respectively.

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

	Principal	Interest	Total
2026	\$ 130,263	\$ 4,416	\$ 134,679
	<u>\$ 130,263</u>	<u>\$ 4,416</u>	<u>\$ 134,679</u>

The following is a summary of changes in lease assets for the years ended June 30:

	Beginning Balance 7/1/2024	Increases	Decreases	Ending Balance 6/30/2025
Leased building	\$ 373,089	\$ -	\$ (279,818)	\$ 93,271

	Beginning Balance 7/1/2023	Increases	Decreases	Ending Balance 6/30/2024
Leased building	\$ 652,907	\$ -	\$ (279,818)	\$ 373,089

On April 2025, NYCSSS executed a new lease agreement commencing on October 15, 2025 for a new office space.

NOTE 5 – PENSION PLANS

A. Local 32BJ School Workers Pension Fund

Plan Description – NYCSSS' eligible employees are provided with pension benefits through the 32BJ School Workers Pension Fund (the "32BJ Fund"). The 32BJ Fund is a cost-sharing, multiple-employer defined benefit pension plan administered by the Director of Retirement Services. The 32BJ Fund issues annual financial statements which are available for download on its website (<https://www.32bjfunds.org/>).

Benefits Provided – The 32BJ Fund provides retirement benefits to vested members, none of which are government employees. The Local 32BJ members are provided retirement, disability and death benefits as participants in the 32BJ Fund. Participants accrue \$44 per month for each pension credit up to a maximum of 25 pension credits. That amount increased to \$49 per month for each pension credit up to a maximum of 25 pension credits, effective July 1, 2019. For participants with 30 or more pension credits, an additional \$100 is added to the benefit.

Contribution and Funding Policy – Pension benefit contributions are determined pursuant to a collective bargaining agreement extended through June 30, 2028 and are calculated based on a negotiated hourly rate for hours worked. The hourly contribution rate for the year ended June 30, 2025 is \$3.023 up to 40 hours per week.

NYC SCHOOL SUPPORT SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 – PENSION PLANS (Continued)

A. *Local 32BJ School Workers Pension Fund (Continued)*

Information on the Employer's Proportionate Share of the Net Pension Liability

At June 30, 2025 and 2024, NYCSSS reported a liability of \$28,214,280 and \$60,989,257, respectively, for its proportionate share of the net pension liability of the 32BJ Fund. The net pension liability was measured as of June 30, 2024 and 2023, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For June 30, 2025, NYCSSS' proportionate share of the net pension liability was based on the July 1, 2023 through June 30, 2024 actual employer contributions as provided by the 32BJ Fund. For June 30, 2024, NYCSSS' proportionate share of the net pension liability was based on the July 1, 2022 through June 30, 2023 actual employer contributions as provided by the 32BJ Fund. As of June 30, 2025 and 2024, NYCSSS' proportion was 95.50% and 95.52%, respectively.

NYCSSS obtained actuarial valuations measured as of July 1, 2024 for June 30, 2025, and as of July 1, 2023 for June 30, 2024.

For the years ended June 30, 2025 and 2024, NYCSSS recognized pension expense in the government-wide financial statements of \$12,174,235 and \$22,745,328, respectively, while pension expenditures of \$21,810,402 and \$20,037,376 were recorded in the fund financial statements, respectively.

At June 30, 2025, NYCSSS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,653,435
Net difference between projected and actual earnings on pension plan investments	-	6,828,127
Changes in proportion and differences between NYCSSS contributions and proportionate share of contributions	4,275	33,574
Contributions made subsequent to the measurement date	24,491,328	-
	<u>\$ 24,495,603</u>	<u>\$ 9,515,136</u>

NYC SCHOOL SUPPORT SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 – PENSION PLANS (Continued)

A. Local 32BJ School Workers Pension Fund (Continued)

At June 30, 2024, NYCSSS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,630	\$ 3,821,007
Net difference between projected and actual earnings on pension plan investments	15,851,856	-
Changes of assumptions or other inputs	1,947,627	-
Changes in proportion and differences between NYCSSS contributions and proportionate share of contributions	7,695	360,852
Contributions made subsequent to the measurement date	23,977,396	-
	<u>\$ 41,787,204</u>	<u>\$ 4,181,859</u>

The amount reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year.

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the 32BJ Fund, with the exception of contributions made subsequent to the measurement date, will be recognized in pension expense as follows in the years ending June 30:

2026	\$ (7,635,619)
2027	9,945,215
2028	(7,147,317)
2029	(4,673,140)

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.5%	6.60%
Global Equity	16.5%	6.96%
Real Estate	7.5%	3.40%
Hedge Fund	8.0%	3.00%
Fixed Income	30.0%	2.34%
Private Equity	2.5%	9.90%
Total	<u>100.0%</u>	

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 – PENSION PLANS (Continued)

A. *Local 32BJ School Workers Pension Fund (Continued)*

The total pension liability as of June 30, 2025 and 2024 that was measured by actuarial valuations as of July 1, 2024 and July 1, 2023, respectively, used the following significant actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.00%
Inflation	Building block approach was used that reflects inflation Expectations and anticipated premiums
Mortality Rates	
Non-annuitant:	Pri-2012 Blue Collar Employee Amount-Weighted Mortality Table with generational projection using Scale MP-2021 from 2012
Healthy annuitant:	Pri-2012 Blue Collar Healthy Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2021 from 2012
Disabled annuitant:	Pri-2012 Disabled Retiree Amount-Weighted Mortality Table with generational projection using Scale MP-2021 from 2012
Surviving spouse:	Pri-2012 Contingent Survivor Blue Collar Amount-Weighted Mortality Table with generational projection using Scale MP-2021 from 2012
Termination Rates	Termination rates and disability rates were based on historical and current demographic data, estimated future experience and professional judgment
Annual Administrative Expenses	\$2,500,000

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

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that employer contributions will be based on bargained contribution rates. For this purpose, only employer contributions that are intended to fund benefits for the current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, are not included. Based on those assumptions, the plan fiduciary net position was projected to be available to make all projected future benefits payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both June 30, 2025 and 2024.

NYC SCHOOL SUPPORT SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 – PENSION PLANS (Continued)

A. Local 32BJ School Workers Pension Fund (Continued)

The following presents NYCSSS' proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what NYCSSS' proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Assumption (7.00%)	1% Increase (8.00%)
NYCSSS' proportionate share of the net pension liability	<u>\$91,280,830</u>	<u>\$28,214,280</u>	<u>\$(24,660,866)</u>

The components of the collective net pension liability as of the July 1, 2024 and 2023 measurement date were as follows:

	<u>July 1, 2024</u>	<u>July 1, 2023</u>
Total pension liability	\$ 571,154,715	\$ 557,159,056
Fiduciary net position	<u>541,609,522</u>	<u>493,309,409</u>
Employers' net position liability	<u>\$ 29,545,193</u>	<u>\$ 63,849,647</u>
Fiduciary net position as a percentage of total pension liability	<u>94.83%</u>	<u>88.54%</u>

B. Central Pension Fund of the International Operating Engineers and Participating Employers

Plan Description – NYCSSS' eligible employees are provided with pension benefits through the Central Pension Fund of the International Operating Engineers and Participating Employers (the "Local 94 Fund"). The Local 94 Fund is a cost-sharing, multiple-employer defined benefit pension plan administered by the CEO of the Plan. The Local 94 Fund issues annual financial statements which are available for download on their website (<http://www.cpfioe.org/>).

The Local 94 Fund provides retirement benefits to vested members, none of which are government employees. Pension benefit contributions are determined pursuant to a collective bargaining agreement that expires December 31, 2026 and are calculated based on a negotiated hourly rate for hours worked. The hourly contribution rate for the years ended June 30, 2025 and 2024 was \$4.55 and \$4.45, respectively, for every hour paid.

Contributions to the Local 94 Fund amounted to \$16,075,906 and \$15,362,855 for the years ended June 30, 2025 and 2024, respectively, and are included in salaries and employee benefits – schools in the accompanying statements of activities.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

NOTE 5 – PENSION PLANS (Continued)

B. Central Pension Fund of the International Operating Engineers and Participating Employers (Continued)

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (“GASB 68”), a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability (of all employers for benefits provided through the pension plan) – the collective net pension liability. An employer’s proportion is required to be determined on a basis that is consistent with the manner in which contributions to the pension plan are determined, and consideration should be given to separate rates, if any, related to separate portions of the collective net pension liability. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

During the implementation of GASB 68, an issue arose regarding the ability of state and local governmental employers to obtain necessary information related to pensions that are provided through certain multiple-employer defined benefit pension plans. Therefore, in December 2015, the GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* (“GASB 78”).

GASB 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). GASB 78 requires pension expense to be recognized equal to the employer’s required contributions to the pension plan for the year, and a payable should be reported for unpaid required contributions at the end of the year.

The Local 94 Fund satisfies each of the above criteria for reporting under GASB 78. Therefore, NYCSSS is not required to recognize a liability for its proportionate share of the net pension liability of the Local 94 Fund.

C. 403(b) Plan

Effective July 1, 2017, NYCSSS adopted a 403(b) plan (the “Plan”) for all eligible employees, as defined by the Plan. NYCSSS will contribute a minimum of 3% of each participant’s compensation and an additional 6% based on each participants employee contribution to the Plan and participants are fully vested in both their employee and employer contributions to the Plan. NYCSSS contributed \$212,654 and \$210,306 for the years ended June 30, 2025 and 2024, respectively.

NOTE 6 – CONTINGENCIES

NYCSSS is a party to certain employment-related legal claims, the outcome of which cannot presently be determined.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER'S REQUIRED CONTRIBUTIONS
LAST 10 FISCAL YEARS* (UNAUDITED)

**Local 94 - Central Pension Fund of the International
Operating Engineers and Participating Employers:**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's required contribution	\$ 16,075,906	\$ 15,362,855	\$ 14,678,187	\$ 14,477,226	\$ 12,955,732	\$ 12,547,493	\$ 12,717,904	\$ 13,495,013	\$ 108,243,995
Actual contribution	\$ 16,075,906	\$ 15,362,855	\$ 14,678,187	\$ 14,477,226	\$ 12,955,732	\$ 12,547,493	\$ 12,717,904	\$ 13,495,013	\$ 108,243,995
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

*A schedule of the employer's required contributions for each of the 10 most recent fiscal years should be presented as required supplementary information. However, as NYCSSS commenced operations in fiscal year 2017, this data is presented only for those years for which information is available.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS* (UNAUDITED)

For Measurement Date Ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Employer's proportion of the net pension liability	<u>95.50%</u>	<u>95.52%</u>	<u>95.50%</u>	<u>95.87%</u>	<u>98.83%</u>	<u>96.87%</u>	<u>96.87%</u>	<u>96.87%</u>
Employer's proportionate share of the net pension liability	<u>\$ 28,214,280</u>	<u>\$ 60,989,257</u>	<u>\$ 79,853,743</u>	<u>\$ 6,338,263</u>	<u>\$ 84,408,818</u>	<u>\$ 59,866,451</u>	<u>\$ 49,027,453</u>	<u>\$ 54,671,084</u>
Employer's covered payroll	<u>\$ 498,911,636</u>	<u>\$ 482,139,645</u>	<u>\$ 472,753,519</u>	<u>\$ 409,025,690</u>	<u>\$ 445,274,792</u>	<u>\$ 450,582,748</u>	<u>\$ 480,005,325</u>	<u>\$ 408,325,214</u>
Employer's proportionate share of the net pension liability as percentage of its covered payroll	<u>5.66%</u>	<u>12.65%</u>	<u>16.89%</u>	<u>1.55%</u>	<u>18.96%</u>	<u>13.29%</u>	<u>10.21%</u>	<u>13.39%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.83%</u>	<u>88.54%</u>	<u>84.61%</u>	<u>98.76%</u>	<u>83.04%</u>	<u>87.22%</u>	<u>89.95%</u>	<u>86.99%</u>

The amounts presented are as of the measurement date, which is one year prior to the financial statement date.

* This data is presented for those years for which information is available.

NYC SCHOOL SUPPORT SERVICES, INC.
(A Component Unit of The City of New York)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER'S PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS* (UNAUDITED)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 21,810,402	\$ 20,037,376	\$ 20,105,013	\$ 19,217,522	\$ 20,060,312	\$ 19,494,525	\$ 18,923,784	\$ 17,903,946
Contribution in relation to the actuarially determined contribution	<u>(21,810,402)</u>	<u>(20,037,376)</u>	<u>(20,105,013)</u>	<u>(19,217,522)</u>	<u>(20,060,312)</u>	<u>(19,494,525)</u>	<u>(18,923,784)</u>	<u>(17,903,946)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered payroll	<u>\$ 586,169,314</u>	<u>\$ 543,129,209</u>	<u>\$ 523,490,927</u>	<u>\$ 513,163,608</u>	<u>\$ 443,920,980</u>	<u>\$ 445,274,792</u>	<u>\$ 450,582,748</u>	<u>\$ 480,005,325</u>
Contribution as a percentage of covered payroll	<u>3.72%</u>	<u>3.69%</u>	<u>3.84%</u>	<u>3.74%</u>	<u>4.52%</u>	<u>4.38%</u>	<u>4.20%</u>	<u>3.73%</u>

* This data is presented for those years for which information is available.