NYC School Support Services Inc.

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, 2023 AND 2022

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

FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)

YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITORS' REPORT

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

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, 2023 and 2022, 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, 2023 and 2022, 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.

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 audits.
- 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 audits 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 25, the schedules of employer's proportionate share of the net pension liability – last 10 fiscal years on page 26 and the schedules of employer's pension contributions – last 10 fiscal years on page 27 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.

Mayer Hoffman McCann CPAs

New York, NY
September 28, 2023

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, 2023 and 2022. 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, 2023 are as follows:

- ❖ On the government-wide financial statements, the liabilities and deferred inflows of resources of NYCSSS exceed its assets and deferred outflows of resources by $73,133,675. The change in net position was $6,281,162, which increased the net deficit as of June 30, 2023. The reason for the decrease in net position is due to an increase in accrued vacation and sick pay, and an increase 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.

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

The following summarizes the governmental activities of NYCSSS for the years ended June 30, 2023, 2022 and 2021:

	2023	2022	2021
REVENUES:			
Program revenues from The City of New York			
Department of Education	$ 736,858,272	$ 727,647,487	$ 637,432,346
Interest income	3,147,046	68,518	17,041
TOTAL REVENUES	740,005,318	727,716,005	637,449,387
EXPENSES:			
Salaries and employee benefits - schools	738,792,687	706,587,895	633,629,662
Salaries and employee benefits - administrative	3,526,342	2,878,593	2,835,401
Professional fees	2,102,589	2,048,610	3,063,923
Insurance	766,975	705,079	615,149
Office and other expenses	786,450	411,938	355,104
Amortization expense (Note 4)	279,818	349,436	349,436
Interest expense (Note 5)	31,619	10,820	34,944
TOTAL EXPENSES	746,286,480	712,992,371	640,883,619
CHANGE IN NET POSITION	$ (6,281,162)	$ 14,723,634	$ (3,434,232)

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 2023, NYCSSS reported $736.8 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 $73.1 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 2022, NYCSSS reported $727.6 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 $66.9 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 2023 and 2022 were approximately $746.3 million and $712.9 million, respectively. Increases in salaries and employee benefits are due to the effect of additional accruals for compensated absences. 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.

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, 2023, 2022 and 2021:

	2023	2022	2021
ASSETS:			
Cash and cash equivalents	$ 46,211,692	$ 48,230,087	$ 33,796,577
Due from The City of New York Department of Education	-	-	6,665,947
Prepaid expenses	1,836,792	51,479	-
Lease asset, net (Notes 2D and 4)	652,907	-	349,436
TOTAL ASSETS	48,701,391	48,281,566	40,811,960
DEFERRED OUTFLOWS OF RESOURCES	107,151,249	49,333,264	48,691,380
LIABILITIES:			
Accounts payable and accrued expenses	40,645	43,249	19,148
Due to The City of New York Department of Education	547,384	1,338,651	-
Accrued salaries and employee benefits	47,460,455	46,899,666	40,443,376
Accrued vacation and sick pay	47,189,281	42,246,148	39,290,666
Lease liability (Notes 2E and 5)	758,427	-	216,407
Net pension liability	79,853,743	6,338,263	84,408,818
TOTAL LIABILITIES	175,849,935	96,865,977	164,378,415
DEFERRED INFLOWS OF RESOURCES	53,136,380	67,601,366	6,701,072
TOTAL NET POSITION (DEFICIT)	$ (73,133,675)	$ (66,852,513)	$ (81,576,147)

As of June 30, 2023, NYCSSS' assets totaled $48.7 million. Assets increased because of an increase in lease asset as a result of a new lease agreement in effect for NYCSSS, and an increase in the timing of insurance payments made resulting in higher prepaid expenses. Liabilities as of June 30, 2023 were $175.8 million, an increase of $78.9 million. The increase is the result of changes in the actuarial calculations related to the net pension liability. Those 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, 2022 and reflected lower than anticipated market performance.

As of June 30, 2022, NYCSSS' assets totaled $48.3 million. Assets increased because of an increase in cash and cash equivalents held at year-end as a result of greater than expected advances from the City, offset by a decrease in the amount owed from the City because of the timing of expenditures and advances. Liabilities as of June 30, 2022 were $96.9 million, a decrease of $67.5 million. The decrease is the result of changes in the actuarial calculations related to the net pension liability. Those 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, 2021 and reflected greater than anticipated market performance.

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

The following summarizes the changes in the general fund ("GF") for the years ended June 30, 2023, 2022 and 2021:

	2023	2022	2021
Revenues:			
Program revenues from The City of New York Department of Education	$ 736,858,272	$ 727,647,487	$ 637,432,346
Interest income	3,147,046	68,518	17,041
Total revenues	740,005,318	727,716,005	637,449,387
Expenditures:			
Salaries and employee benefits - schools	732,617,045	721,444,558	630,062,402
Salaries and employee benefits - administrative	3,526,342	2,878,593	2,835,401
Professional fees	2,102,589	2,048,610	3,063,923
Insurance	766,975	705,079	615,149
Office and other expenses	786,450	411,938	355,104
Capital expenditures	932,725	-	-
Principal	174,298	216,407	482,464
Interest	31,619	10,820	34,944
Total expenditures	740,938,043	727,716,005	637,449,387
Other Financing Sources (Uses):			
Repayment of loan payable	932,725	-	-
Total other financing sources	932,725	-	-
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -

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 2023 and 2022 were $740.9 million and $727.7 million, respectively. The increase can be attributed to an increase in salary expense related increased labor forces for the schools in 2023 vs. 2022.

FINANCIAL HIGHLIGHTS AND OVERALL ANALYSIS – FINANCIAL STATEMENTS (Continued)

The following summarizes the GF assets, liabilities, and fund balances as of June 30, 2023, 2022 and 2021:

	2023	2022	2021
Assets:			
Cash and cash equivalents	$ 46,211,692	$ 48,230,087	$ 33,796,577
Due from The City of New York Department of Education	-	-	6,665,947
Prepaid expenditures	1,836,792	51,479	-
Total Assets	$ 48,048,484	$ 48,281,566	$ 40,462,524
Liabilities:			
Accounts payable and accrued expenses	$ 40,645	$ 43,249	$ 19,148
Due to The City of New York Department of Education	547,384	1,338,651	-
Accrued salaries and employee benefits	47,460,455	46,899,666	40,443,376
Total Liabilities	48,048,484	48,281,566	40,462,524
Fund Balance (Deficit):			
Non-spendable	1,836,792	51,479	
Unassigned	(1,836,792)	(51,479)	-
Total Fund Balance (Deficit)	-	-	-
Total Liabilities and Fund Balance (Deficit)	$ 48,048,484	$ 48,281,566	$ 40,462,524

The GF assets at June 30, 2023 and 2022 were $48 million and $48.3 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, 2023 and 2022 were $48 million and $48.3 million, respectively, and primarily consisted of accrued salaries and employee benefits, as well as the amount of $547,384 and $1.3 million due to the City for 2023 and 2022, respectively. The amount due to the City will be applied to the ensuing year's expenditures.

As program revenue is paid monthly and is based on actual monthly expenditures, the GF fund balance was zero as of both June 30, 2023 and 2022.

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, 2023 AND 2022

	2023	2022
ASSETS:		
Cash and cash equivalents (Note 3)	$ 46,211,692	$ 48,230,087
Prepaid expenses	1,836,792	51,479
Lease asset, net (Notes 2D and 4)	652,907	-
TOTAL ASSETS	48,701,391	48,281,566
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related (Note 6A)	107,151,249	49,333,264
LIABILITIES:		
Accounts payable and accrued expenses	40,645	43,249
Due to The City of New York Department of Education	547,384	1,338,651
Accrued salaries and employee benefits	47,460,455	46,899,666
Accrued vacation and sick pay	47,189,281	42,246,148
Lease liability (Notes 2E and 5)	758,427	-
Net pension liability (Note 6A)	79,853,743	6,338,263
TOTAL LIABILITIES	175,849,935	96,865,977
DEFERRED INFLOWS OF RESOURCES:		
Pension related (Note 6A)	53,136,380	67,601,366
NET POSITION (DEFICIT):		
Net investment in capital (lease) asset	(105,520)	-
Unrestricted	(73,028,155)	(66,852,513)
TOTAL NET POSITION (DEFICIT)	$ (73,133,675)	$ (66,852,513)

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

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
REVENUES:		
Program revenues from The City of New York Department of Education	$ 736,858,272	$ 727,647,487
Interest income	3,147,046	68,518
Total revenues	740,005,318	727,716,005
EXPENSES:		
Salaries and employee benefits - schools (Note 6)	738,792,687	706,587,895
Salaries and employee benefits - administrative	3,526,342	2,878,593
Professional fees	2,102,589	2,048,610
Insurance	766,975	705,079
Office and other expenses	786,450	411,938
Amortization expense (Note 4)	279,818	349,436
Interest expense (Note 5)	31,619	10,820
Total expenses	746,286,480	712,992,371
Change in net position	(6,281,162)	14,723,634
Net position (deficit) - beginning of year	(66,852,513)	(81,576,147)
Net position (deficit) - end of year	$ (73,133,675)	$ (66,852,513)

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

GENERAL FUND BALANCE SHEETS
AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS:		
Cash and cash equivalents	$ 46,211,692	$ 48,230,087
Prepaid expenditures	1,836,792	51,479
TOTAL ASSETS	$ 48,048,484	$ 48,281,566
LIABILITIES:		
Accounts payable and accrued expenses	$ 40,645	$ 43,249
Due to The City of New York Department of Education	547,384	1,338,651
Accrued salaries and employee benefits	47,460,455	46,899,666
TOTAL LIABILITIES	48,048,484	48,281,566
FUND BALANCE (DEFICIT):		
Non-spendable	1,836,792	51,479
Unassigned	(1,836,792)	(51,479)
TOTAL FUND BALANCE (DEFICIT)	-	-
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	$ 48,048,484	$ 48,281,566

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, 2023 AND 2022

	2023	2022
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	652,907	-
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	(47,189,281)	(42,246,148)
Lease liability	(758,427)	-
Pension related items, net	(25,838,874)	(24,606,365)
Net position (deficit) of governmental activities	$ (73,133,675)	$ (66,852,513)

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, 2023 AND 2022

	2023	2022
REVENUES:		
Program revenues from The City of New York Department of Education	$ 736,858,272	$ 727,647,487
Interest income	3,147,046	68,518
Total revenues	740,005,318	727,716,005
EXPENDITURES:		
Current:		
Salaries and employee benefits - schools	732,617,045	721,444,558
Salaries and employee benefits - administrative	3,526,342	2,878,593
Professional fees	2,102,589	2,048,610
Insurance	766,975	705,079
Office and other expenses	786,450	411,938
Capital Outlay for Leases	932,725	-
Debt Service:		
Principal	174,298	216,407
Interest	31,619	10,820
Total expenditures	740,938,043	727,716,005
Deficiency of revenues under expenditures	(932,725)	-
OTHER FINANCING SOURCES:		
Issuance of lease liability	932,725	-
Total other financing sources	932,725	-
NET CHANGE IN FUND BALANCE	-	-
Fund balance - beginning of year	-	-
Fund balance - end of year	$ -	$ -

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, 2023 AND 2022

		2023	2022
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 statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation and amortization in the current period:			
Capital outlay (lease)	932,725		
Amortization expense	(279,818)	652,907	(349,436)
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.		(4,943,133)	(2,955,482)
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.			
Issuance of long-term debt (leases)	(932,725)		
Principal	174,298	(758,427)	216,407
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.		(1,232,509)	17,812,145
Change in net position - governmental activities		$ (6,281,162)	$ 14,723,634

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Fund Balances and Net Position*

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. *Investments*

Investments are reported at fair value as of the reporting date.

D. *Property and Equipment and Lease Assets*

Property and equipment are stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. NYCSSS capitalizes property and equipment with a cost of $35,000 or more and a useful life of greater than five years. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Lease assets are amortized over the shorter of the life of the lease or the lease term on a straight-line basis.

E. *Lease 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*F. **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.

*G. **New Accounting Pronouncements***

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, 2023, NYCSSS adopted the following GASB statements:

- GASB Statement No. 91, *Conduit Debt Obligations*, ("GASB 91") is effective for reporting periods beginning after December 15, 2021, as amended. GASB 91 provides a single method of reporting conduit debt obligations by issuers and aims to eliminate diversity in practice. GASB 91 clarifies the existing definition of a conduit debt obligation, establishing that it is not a liability of the issuer; and establishes accounting and financial reporting standards for additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, as well as improves note disclosures. NYCSSS does not hold any conduit debt obligations, and therefore GASB 91 had no effect on NYCSSS's financial statements.

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements ("Arrangements")*, ("GASB 94") is effective for fiscal years beginning after June 15, 2022. Arrangements in which a government contracts with an operator to provide public services by conveying the right to operate or use a nonfinancial asset for a period of time is considered a Public-Private or Public-Public Partnership ("PPPs"). Arrangements in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating a nonfinancial asset is considered an Availability Payment Arrangement ("APA"). The accounting for PPPs is defined in GASB 94 and will vary depending on whether the arrangement meets the definition of a Service Concession Arrangement. APAs where ownership transfers by the end of the contract will be accounted for as a financed purchase of that underlying asset. NYCSSS does not hold any agreements which meet the definition of a PPP or APA, and therefore GASB 94 had no effect on NYCSSS's financial statements.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, ("GASB 96") is effective for fiscal years beginning after June 15, 2022. Similar to the principles used in GASB 87, GASB 96 provides the guidance for accounting and financial reporting for subscription-based information technology arrangements or "SBITAs." The statement defines SBITAs as a contract that conveys control of the right to use another party's information technology software, either alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The accounting will result in the recognition of a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. GASB 96 also provides guidance for other costs that are not subscription payments, such as implementation costs, and requires certain note disclosures regarding SBITAs. NYCSSS had no material agreements that meet the definition of SBITA under GASB 96.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. ***New Accounting Pronouncements (Continued)***

- GASB 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*, ("GASB 97"). GASB 97 has multiple effective dates depending on specific paragraphs of the standard. Paragraph 4 of the statement, which pertains to defined contribution pension and Other Postemployment Benefit ("OPEB") plans is effective immediately. Paragraphs 6 through 9 of the statement, which pertain to the supersession of GASB 32, are effective for fiscal years beginning after June 15, 2021, and the remaining requirements of the statement are effective for reporting periods beginning after June 15, 2021. Paragraph 4 of the statement requires that when determining whether the primary government is financially accountable as a potential component unit, the absence of a governing board should be treated the same as appointing the voting majority if the primary government performed the duties a governing board would typically perform, except when considering a defined contribution pension or OPEB plans. Paragraphs 6 through 9 define the reporting rules for a Section 457 plan requiring that GASB 84 be applied to determine if the plan is a fiduciary activity, and then further if the plan meets the definition of a pension plan, the reporting requirements of GASB 68 or 73 should be applied (instead of those in GASB 84). GASB 97 also explains that the financial burden criteria in GASB 84 is applicable only to defined benefit pension plans and defined benefit OPEB plans administered through a trust. GABS 97 did not have an impact on NYCSSS' financial statements.

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

- GASB Statement No. 99, *Omnibus 2022*, ("GASB 99") has multiple effective dates depending on the Statement of the standard. This Statement addresses numerous accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements or during the due process on other pronouncements. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Since the adoption of GASB 94 and 96 had no impact on NYCSSS, the requirements related to PPPs and SBITAs also had no effect on NYCSSS' financial statements. NYCSSS has not completed their evaluation of the remaining sections of GASB 99 but does not anticipate any material impact.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. *New Accounting Pronouncements (Continued)*

- GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* ("GASB 100"), has been issued to help enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. GASB 100 defines accounting changes, addresses corrections of errors in previously issued financial statements, and prescribes accounting and financial reporting for both. GASB 100 also addresses how information that is affected by a change in accounting or error correction should be presented in the required supplementary information explaining that the information should be restated for error corrections but not for changes in accounting principles. The requirements of GASB 100 are effective for fiscal years beginning after June 15, 2023. NYCSSS has not completed their evaluation of GASB 100 but does not anticipate any material impact.

- GASB Statement No. 101, *Compensated Absences* ("GASB 101"), has been issued to align the recognition and measurement guidance of 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. The requirements of GASB 101 are effective for fiscal years beginning after December 15, 2023. NYCSSS has not completed their evaluation of GASB 101 but does not anticipate any material impact.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of June 30, 2023 and 2022, NYCSSS' cash was comprised of unrestricted bank deposits in the amounts of approximately $1,012,000 and $1,378,000, 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, 2023 and 2022.

As of June 30, 2023 and 2022, NYCSSS' cash equivalents were also held in money market funds in the amounts of approximately $45,280,000 and $46,958,000, 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 market and industry inputs (Level 1 inputs).

NOTE 4 – LEASE ASSETS

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

	Beginning Balance 7/1/2022	Increases	Decreases	Ending Balance 6/30/2023
Leased building	$ 932,725	$ -	$ (174,298)	$ 758,427

NOTE 4 – LEASE ASSETS (Continued)

	Beginning Balance 7/1/2021	Increases	Decreases	Ending Balance 6/30/2022
Leased building	$ 349,436	$ -	$ (349,436)	$ -

NOTE 5 – LEASE LIABILITY

NYCSSS executed a lease agreement effective December 2016 for office space that expired in June 2022, and therefore there is no lease liability at the end of fiscal year 2022. Because of the requirements of GASB 87, NYCSSS calculated the lease liability for the remaining two years (2021 and 2022) of the lease using an interest rate of 5% as indicated in the lease agreement. Total outflows related to the lease totaled approximately $227,000 during the year ended June 30, 2022. There were no further obligations due under this lease agreement.

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 $758,427 as of June 30, 2023. Total outflows related to the lease agreement are approximately $206,000 during the year ended June 30, 2023.

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

	Principal	Interest	Total
2024	$ 304,785	$ 25,711	$ 330,496
2025	323,380	15,378	338,758
2026	130,262	4,416	134,678
	$ 758,427	$ 45,505	$ 803,932

NOTE 6 – 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, 2024 and are calculated based on a negotiated hourly rate for hours worked. The hourly contribution rate for the year ended June 30, 2023 is $2.177 up to 40 hours per week.

NOTE 6 – 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, 2023 and 2022, NYCSSS reported a liability of $79,853,743 and $6,338,263, respectively, for its proportionate share of the net pension liability of the 32BJ Fund. The net pension liability was measured as of June 30, 2022 and 2021, 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, 2023, NYCSSS' proportionate share of the net pension liability was based on the July 1, 2021 through June 30, 2022 actual employer contributions as provided by the 32BJ Fund. For June 30, 2022, NYCSSS' proportionate share of the net pension liability was based on the July 1, 2020 through June 30, 2021 actual employer contributions as provided by the 32BJ Fund. As of June 30, 2023 and 2022, NYCSSS' proportion was 95.50% and 95.87%, respectively.

NYCSSS obtained actuarial valuations measured as of July 1, 2022 for June 30, 2023, and as of July 1, 2021 for June 30, 2022.

For the years ended June 30, 2023 and 2022, NYCSSS recognized pension expense in the government-wide financial statements of $20,489,289 and $2,254,761, respectively, while pension expenditures of $20,105,013 and $19,217,522 were recorded in the fund financial statements, respectively.

At June 30, 2023, 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	$ 662,241	$ 3,393,893
Net difference between projected and actual earnings on pension plan investments	81,881,837	48,801,177
Changes of assumptions or other inputs	5,552,937	-
Changes in proportion and differences between NYCSSS contributions and proportionate share of contributions	239,755	941,310
Contributions made subsequent to the measurement date	18,814,479	-
	$ 107,151,249	$ 53,136,380

NOTE 6 – PENSION PLANS (Continued)

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

At June 30, 2022**,** 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	$ 1,665,643	$ 530,604
Net difference between projected and actual earnings on pension plan investments	18,080,086	65,323,056
Changes of assumptions or other inputs	9,194,607	396,206
Changes in proportion and differences between NYCSSS contributions and proportionate share of contributions	730,215	1,351,500
Contributions made subsequent to the measurement date	19,662,713	-
	$ 49,333,264	$ 67,601,366

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:

2024	$ 10,316,868
2025	6,624,083
2026	633,451
2027	17,625,988

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.0%	6.91%
Global Equity	24.0%	7.21%
Real Estate	7.5%	3.61%
Hedge Fund	10.0%	3.21%
Fixed Income	22.5%	1.61%
Private Equity	5.0%	9.96%
Total	100.0%	

NOTE 6 – PENSION PLANS (Continued)

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

The total pension liability as of June 30, 2023 and 2022 that was measured by actuarial valuations as of July 1, 2022 and July 1, 2021, 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
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	$2,000,000

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, 2022 and June 30, 2021. 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, 2023 and June 30, 2022.

NOTE 6 – PENSION PLANS (Continued)

*B. **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	$141,044,828	$79,853,743	$28,638,121

The components of the collective net pension liability as of the July 1, 2022 and 2021 measurement date were as follows:

	July 1, 2022	July 1, 2021
Total pension liability	$ 543,442,521	$ 532,748,351
Fiduciary net position	459,822,500	526,137,037
Employers' net position liability	$ 83,620,021	$ 6,611,314
Fiduciary net position as a Percentage of total pension liability	84.61%	98.76%

*C. **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.cpfiuoe.org/).

The Local 94 Fund provides retirement benefits to vested members, none of which are government employees. Pension benefits 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, 2023 and 2022 was $4.35 and $4.25, respectively, for every hour paid.

Contributions to the Local 94 Fund amounted to $14,678,187 and $14,477,226 for the years ended June 30, 2023 and 2022, respectively, and are included in salaries and employee benefits – schools in the accompanying statements of activities.

NOTE 6 – PENSION PLANS (Continued)

C. ***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.

D. ***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 $141,836 and $92,736 for the years ended June 30, 2023, and 2022, respectively.

NOTE 7 – 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:

	2023	2022	2021	2020	2019	2018	2017
Employer's required contribution	$ 14,678,187	$ 14,477,226	$ 12,955,732	$ 12,547,493	$ 12,717,904	$ 13,495,013	$ 10,824,395
Actual contribution	$ 14,678,187	$ 14,477,226	$ 12,955,732	$ 12,547,493	$ 12,717,904	$ 13,495,013	$ 10,824,395
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,	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Employer's proportion of the net pension liability	95.50%	95.87%	98.83%	96.87%	96.87%	93.72%
Employer's proportionate share of the net pension liability	$ 79,853,743	$ 6,338,263	$ 84,408,818	$ 59,866,451	$ 49,027,453	$ 54,671,084
Employer's covered payroll	$ 472,753,519	$ 409,025,690	$ 445,274,792	$ 450,582,748	$ 480,005,325	$ 408,325,214
Employer's proportionate share of the net pension liability as percentage of its covered payroll	16.89%	1.55%	18.96%	13.29%	10.21%	13.39%
Plan fiduciary net position as a percentage of the total pension liability	84.61%	98.76%	83.04%	87.22%	89.95%	86.99%

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)

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 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	(20,105,013)	(19,217,522)	(20,060,312)	(19,494,525)	(18,923,784)	(17,903,946)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered payroll	$ 523,490,927	$ 513,163,608	$ 443,920,980	$ 445,274,792	$ 450,582,748	$ 480,005,325
Contribution as a percentage of covered payroll	3.84%	3.74%	4.52%	4.38%	4.20%	3.73%

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