

Yonkers City School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2019

DRAFT

Yonkers City School District, New York

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Independent Auditors' Report

**The Board of Education of the
Yonkers City School District, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Yonkers City School District, New York ("School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General and Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Supplementary and Other Information

Our audit for the year ended June 30, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* for the year ended June 30, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the School District as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated November 28, 2018, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund

information. The combining and individual fund financial statements and schedules for the year ended June 30, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November __, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP
Harrison, New York
November __, 2019

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Yonkers City School District, New York

Statement of Net Position

June 30, 2019

ASSETS

Receivables	
Accounts	\$ 12,871,529
State and Federal aid	96,668,667
Due from City of Yonkers	114,499,874
Inventories	228,564
Net pension asset	27,507,493
Capital assets	
Not being depreciated	68,846,554
Being depreciated, net	228,869,634
Total Assets	<u>549,492,315</u>

DEFERRED OUTFLOWS OF RESOURCES

159,458,564

LIABILITIES

Accounts payable	42,869,470
Accrued liabilities	29,117,628
Bond anticipation notes payable	27,320,000
Due to other governments	1,457,257
Due to retirement systems	33,601,825
Due to City of Yonkers	50,786,076
Overpayments	257,831
Accrued interest payable	1,766,579
Non-current liabilities	
Due within one year	24,120,499
Due in more than one year	1,922,834,082
Total Liabilities	<u>2,134,131,247</u>

DEFERRED INFLOWS OF RESOURCES

42,766,616

NET POSITION

Net investment in capital assets	173,304,470
Restricted for	
Capital projects	143,876
Debt service	262,964
Special purpose	246,481
Unrestricted	<u>(1,641,904,775)</u>
Total Net Position	<u>\$ (1,467,946,984)</u>

The notes to the financial statements are an integral part of this statement.

Yonkers City School District, New York

Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities					
General support	\$ 81,302,948	\$ 288,303	\$ 384,798	\$ -	\$ (80,629,847)
Instruction	548,295,230	485,090	72,636,427	14,143,691	(461,030,022)
Pupil transportation	40,771,593	-	1,168,037	-	(39,603,556)
Community services	368,179	-	375,129	-	6,950
Cost of food sales	11,292,664	415,046	10,574,051	-	(303,567)
Other	85,327	-	33,923	-	(51,404)
Interest	4,425,314	-	-	96,603	(4,328,711)
Total Governmental Activities	\$ 686,541,255	\$ 1,188,439	\$ 85,172,365	\$ 14,240,294	(585,940,157)
General revenues					
Contribution from City of Yonkers					261,595,141
Sale of property and compensation for loss					3,428
Unrestricted State aid					301,815,186
Miscellaneous					3,573,039
Total General Revenues					566,986,794
Change in Net Position					(18,953,363)
Net Position - Beginning					(1,448,993,621)
Net Position - Ending					\$ (1,467,946,984)

The notes to the financial statements are an integral part of this statement.

Yonkers City School District, New York

Balance Sheet
 Governmental Funds
 June 30, 2019

	General	Special Aid	Capital Projects
ASSETS			
Receivables			
Accounts	\$ 10,843,838	\$ -	\$ 1,979,480
State and Federal aid	80,320,197	14,255,572	-
Due from City of Yonkers	69,252,283	-	43,223,620
Due from other funds	3,032,896	684,142	42,963
Advances to other funds	2,517,307	-	-
Inventories	-	-	-
Total Assets	<u>\$ 165,966,521</u>	<u>\$ 14,939,714</u>	<u>\$ 45,246,063</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 36,479,943	\$ 3,038,451	\$ 1,733,903
Accrued liabilities	27,332,537	1,293,641	171,992
Bond anticipation notes payable	-	-	27,320,000
Due to other governments	573,618	883,639	-
Due to retirement systems	33,601,825	-	-
Due to City of Yonkers	-	8,916,125	-
Due to other funds	42,528,460	807,858	1,451,108
Advances from other funds	-	2,517,307	-
Overpayments	257,831	-	-
Total Liabilities	140,774,214	17,457,021	30,677,003
Deferred inflows of resources			
Unavailable revenues	1,861,599	-	-
Total Liabilities and Deferred Inflows of Resources	<u>142,635,813</u>	<u>17,457,021</u>	<u>30,677,003</u>
Fund balances (deficits)			
Nonspendable	2,517,307	-	-
Restricted	-	-	14,569,060
Assigned	8,095,580	-	-
Unassigned	12,717,821	(2,517,307)	-
Total Fund Balances (Deficits)	<u>23,330,708</u>	<u>(2,517,307)</u>	<u>14,569,060</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 165,966,521</u>	<u>\$ 14,939,714</u>	<u>\$ 45,246,063</u>

The notes to the financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ 48,211	\$ 12,871,529
2,092,898	96,668,667
2,023,971	114,499,874
42,528,460	46,288,461
-	2,517,307
228,564	228,564
<u>\$ 46,922,104</u>	<u>\$ 273,074,402</u>
\$ 1,617,173	\$ 42,869,470
319,458	29,117,628
-	27,320,000
-	1,457,257
-	33,601,825
41,869,951	50,786,076
1,501,035	46,288,461
-	2,517,307
-	257,831
45,307,617	234,215,855
-	1,861,599
<u>45,307,617</u>	<u>236,077,454</u>
228,564	2,745,871
509,445	15,078,505
876,478	8,972,058
-	10,200,514
1,614,487	36,996,948
<u>\$ 46,922,104</u>	<u>\$ 273,074,402</u>

Yonkers City School District, New York

Reconciliation of the Governmental Funds Balance Sheet to the District-Wide Statement of Net Position June 30, 2019

Fund Balance - Total Governmental Funds	\$ 36,996,948
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources are not reported in the funds	<u>297,716,188</u>
Other long-term assets that are not available to pay for current-period expenditures are reported as unearned or deferred in the funds.	
Pension assets	27,507,493
Deferred revenues	<u>1,861,599</u>
	<u>29,369,092</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	3,769,206
Deferred amounts on net pension assets (liabilities)	<u>112,922,742</u>
	<u>116,691,948</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(1,766,579)
Bonds payable	(162,774,733)
Notes payable	(8,153,202)
State loan payable	(2,200,000)
Retirement incentives and other pension obligations	(18,523,355)
Compensated absences	(19,458,804)
Net pension liability	(17,087,728)
Other post employment benefit obligations payable	<u>(1,718,756,759)</u>
	<u>(1,948,721,160)</u>
Net Position of Governmental Activities	<u>\$ (1,467,946,984)</u>

The notes to the financial statements are an integral part of this statement.

Yonkers City School District, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019

	General	Special Aid	Capital Projects
REVENUES			
Charges for services	\$ 171,318	\$ -	\$ -
Use of money and property	288,303	-	-
Sale of property and compensation for loss	3,428	-	-
Interfund revenues	384,799	-	-
State aid	322,208,427	21,153,197	13,746,525
Federal aid	1,606,606	31,009,138	-
Food sales	-	-	-
Miscellaneous	3,657,493	317,755	-
Total Revenues	328,320,374	52,480,090	13,746,525
EXPENDITURES			
Current			
General support	40,896,612	384,798	-
Instruction	331,762,460	53,218,538	-
Pupil transportation	37,315,554	1,168,037	-
Community services	-	375,129	-
Employee benefits	155,066,979	1,344,218	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	1,320,595	-	-
Interest	277,858	-	-
Capital outlay	-	-	28,354,352
Total Expenditures	566,640,058	56,490,720	28,354,352
Deficiency of Revenues Over Expenditures	(238,319,684)	(4,010,630)	(14,607,827)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	-	397,166
Contribution from City of Yonkers	231,160,925	-	-
Transfers in	-	1,493,323	-
Transfers out	(2,457,623)	-	-
Total Other Financing Sources	228,703,302	1,493,323	397,166
Net Change in Fund Balances	(9,616,382)	(2,517,307)	(14,210,661)
FUND BALANCES (DEFICITS)			
Beginning of Year	32,947,090	-	28,779,721
End of Year	<u>\$ 23,330,708</u>	<u>\$ (2,517,307)</u>	<u>\$ 14,569,060</u>

The notes to the financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 171,318
97,477	385,780
-	3,428
-	384,799
221,147	357,329,296
10,352,904	42,968,648
415,046	415,046
33,049	4,008,297
<u>11,119,623</u>	<u>405,666,612</u>
-	41,281,410
-	384,980,998
-	38,483,591
-	375,129
2,909,210	159,320,407
8,044,201	8,044,201
85,327	85,327
24,568,504	25,889,099
6,834,245	7,112,103
-	28,354,352
<u>42,441,487</u>	<u>693,926,617</u>
<u>(31,321,864)</u>	<u>(288,260,005)</u>
-	397,166
30,434,216	261,595,141
964,300	2,457,623
-	(2,457,623)
<u>31,398,516</u>	<u>261,992,307</u>
76,652	(26,267,698)
1,537,835	63,264,646
<u>\$ 1,614,487</u>	<u>\$ 36,996,948</u>

Yonkers City School District, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ (26,267,698)
<p>Governmental funds report 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 expense.</p>	
Capital outlay expenditures	24,973,531
Depreciation expense	<u>(10,885,160)</u>
	<u>14,088,371</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Deferred revenues	<u>313,772</u>
<p>Bond, note and loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.</p>	
Principal paid on bonds	24,368,504
Principal paid on notes	1,320,595
Principal paid on State loan	200,000
Principal paid on retirement incentives and other pension obligations	4,080,902
Issuance of retirement incentives and other pension obligations	(272,754)
Amortization of loss on refunding bonds and issuance premium	<u>1,960,841</u>
	<u>31,658,088</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	725,948
Compensated absences	(1,135,672)
Pension obligations	4,471,677
Other post employment benefit obligations	<u>(42,807,849)</u>
	<u>(38,745,896)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (18,953,363)</u></u>

The notes to the financial statements are an integral part of this statement.

Yonkers City School District, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Special Aid Funds
Year Ended June 30, 2019

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ 366,900	\$ 366,900	\$ 171,318	\$ (195,582)
Use of money and property	293,000	293,000	288,303	(4,697)
Sale of property and compensation for loss	-	-	3,428	3,428
Interfund revenues	506,316	506,316	384,799	(121,517)
State aid	320,829,704	320,829,704	322,208,427	1,378,723
Federal aid	650,000	650,000	1,606,606	956,606
Miscellaneous	938,020	938,020	3,657,493	2,719,473
Total Revenues	323,583,940	323,583,940	328,320,374	4,736,434
EXPENDITURES				
Current				
General support	41,277,893	41,982,597	40,896,612	1,085,985
Instruction	336,334,614	337,598,612	331,762,460	5,836,152
Pupil transportation	37,162,461	38,009,614	37,315,554	694,060
Community services	-	-	-	-
Employee benefits	160,702,761	157,886,906	155,066,979	2,819,927
Debt service				
Principal	1,320,595	1,320,595	1,320,595	-
Interest	277,858	277,858	277,858	-
Total Expenditures	577,076,182	577,076,182	566,640,058	10,436,124
Deficiency of Revenues Over Expenditures	(253,492,242)	(253,492,242)	(238,319,684)	15,172,558
OTHER FINANCING SOURCES (USES)				
Contribution from City of Yonkers	231,160,925	231,160,925	231,160,925	-
Transfers in	-	-	-	-
Transfers out	(1,845,200)	(2,809,500)	(2,457,623)	351,877
Total Other Financing Sources	229,315,725	228,351,425	228,703,302	351,877
Net Change in Fund Balances	(24,176,517)	(25,140,817)	(9,616,382)	15,524,435
FUND BALANCES				
Beginning of Year	24,176,517	25,140,817	32,947,090	7,806,273
End of Year	\$ -	\$ -	\$ 23,330,708	\$ 23,330,708

The notes to the financial statements are an integral part of this statement.

Special Aid Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
26,655,608	26,910,608	21,153,197	(5,757,411)
34,190,295	36,770,989	31,009,138	(5,761,851)
420,106	420,106	317,755	(102,351)
<u>61,266,009</u>	<u>64,101,703</u>	<u>52,480,090</u>	<u>(11,621,613)</u>
440,902	463,613	384,798	78,815
59,220,926	62,112,852	53,218,538	8,894,314
1,273,896	1,169,696	1,168,037	1,659
410,017	432,972	375,129	57,843
1,415,468	1,417,770	1,344,218	73,552
-	-	-	-
-	-	-	-
<u>62,761,209</u>	<u>65,596,903</u>	<u>56,490,720</u>	<u>9,106,183</u>
<u>(1,495,200)</u>	<u>(1,495,200)</u>	<u>(4,010,630)</u>	<u>(2,515,430)</u>
-	-	-	-
1,495,200	1,495,200	1,493,323	(1,877)
-	-	-	-
<u>1,495,200</u>	<u>1,495,200</u>	<u>1,493,323</u>	<u>(1,877)</u>
-	-	(2,517,307)	(2,517,307)
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,517,307)</u>	<u>\$ (2,517,307)</u>

Yonkers City School District, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2019

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 320,437
Accounts receivable	3,168,415
Due from City of Yonkers	<u>7,449,854</u>
 Total Assets	 <u><u>\$ 10,938,706</u></u>
 LIABILITIES	
Employee payroll deductions	\$ 2,864,639
Accounts payable	7,756,835
Student activity funds	<u>317,232</u>
 Total Liabilities	 <u><u>\$ 10,938,706</u></u>

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The Yonkers City School District, New York ("School District") as presently constituted, operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education ("Board") is the legislative body responsible for providing education services to the residents of the City of Yonkers, New York ("City"). The members of the Board are appointed by the Mayor.

The Board is, pursuant to Section 2551 of Education Law, a legally separate entity. However, the Board has no taxing power, cannot issue debt in its own name and relies solely upon the City for appropriations. In addition, effective June 30, 2014, the City and School District entered into an inter-municipal agreement (the "IMA"). The IMA continues in perpetuity from the date of execution. The IMA requires that the City assume all School District finance and budget functions in consultation with the Superintendent of Schools and the Board. Additionally, the IMA gives the City the authority to consult on all labor contracts. The IMA also gives the City, in consultation with the Superintendent of Schools and the Board, the authority to supervise non-academic operational functions of the School District, as described in the IMA. Pursuant to the IMA, in connection with the adoption of its 2014-2015 budget, the City immediately absorbed the operations and expenses of various School District administrative functions. In addition, the IMA grants the authority to create, abolish, maintain and consolidate all positions in the non-academic operational functions described in the IMA. The School District retains the authority to create, abolish, maintain or consolidate positions which have a nexus to the academic activities of the School District, which do not fall within the scope of the finance and the budget functions and non-academic operational functions discussed in the IMA. Lastly, the IMA authorizes the City to implement a schedule of public hearings on the School District's budget, which must be held at least quarterly and must be held in consultation with the Superintendent of Schools and the Board. As such, the School District has determined that it is not a separate legal entity for financial reporting purposes pursuant to the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14, as amended by GASB Statement No. 61. The School District is reported as governmental funds, as appropriate, within the City's financial statements.

The Superintendent services as the chief executive officer and is appointed by the Board. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

The accounting policies of the School District conform to generally accepted accounting principles for local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the School District's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the School District, b) organizations for which the School District is financially accountable and c) other organizations for which the nature and significance of their relationship with the School District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the School District's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

The accompanying financial statements present only the activities of the School District and do not purport to, and do not, present fairly the financial position of the City of Yonkers, New York as of June 30, 2019 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The School District participates in the Southern Westchester Board of Cooperative Educational Services ("BOCES"), a jointly governed entity. BOCES is a voluntary cooperative association of school districts in a geographic area that share planning, services and programs, which provide educational and support services. BOCES' governing board is elected based on the vote of members of the participating districts' governing boards. BOCES' budget is comprised of separate budgets for administrative, program and capital costs. BOCES charges the districts for program costs based on participation and for administrative and capital costs. Each component school district's share of administrative and capital costs is determined by resident public school enrollment as defined in Education Law. Copies of BOCES' financial statements can be requested from Southern Westchester BOCES, 17 Berkley Drive, Rye Brook, New York 10573.

B. District-Wide Financial Statements

The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the School District as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the School District at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Other items not identified as program revenues are reported as general revenues. The School District does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter is excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single

Note 1 - Summary of Significant Accounting Policies (Continued)

column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following represents the School District's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the School District and is used to report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service or capital projects. The major special revenue fund of the School District is as follows:

Special Aid Fund - The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The School District also reports the following non-major governmental funds:

Special Revenue Funds:

School Lunch Fund - The School Lunch Fund is used to record the operations of the breakfast and lunch programs of the School District.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

Note 1 - Summary of Significant Accounting Policies (Continued)

- b. Fiduciary Funds (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is also used to account for employee payroll tax withholdings that are payable to other jurisdictions.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Substantially all of the School District's revenues are paid directly to and deposited with the City. Such amounts are commingled and invested with the City's funds and are therefore not included in the School District's balance sheets. The cash held by the School District relates to Extraclassroom Activity funds and are included within the Agency Fund. The School District follows the cash and investment management policies of the City as follows:

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District's deposits and investment policies are governed by State statutes. The School District has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The School District is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The School District follows the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the School District does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. GASB Statement No. 40 "*Deposits and Investment Risk Disclosures – an amendment of GASB Statement No. 3*" directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2019.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The School District does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Note 1 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The School District's investment policy limits the amount on deposit at each of its banking institutions.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the School District. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To City of Yonkers - During the course of its operations, the School District has numerous transactions with the City to finance operations, provide services and construct assets. To the extent that certain transactions between the School District and the City had not been paid or received as of June 30, 2019, balances of amounts receivable or payable have been recorded.

Due From/To Other Funds - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2019, balances of interfund amounts receivable or payable have been recorded.

Advances From/To Other Funds - Advances from/to other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The School District uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 1 - Summary of Significant Accounting Policies (Continued)

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	20-50
Machinery and Equipment	5-20

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheets.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expense) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows and inflows of resources have been reported on the district-wide Statement of Net Position for the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
New York State Teachers' Retirement System	\$ 143,727,672	\$ 36,690,054
New York State and Local Employees' Retirement System	11,961,686	6,076,562
Deferred loss on refunding bonds	<u>3,769,206</u>	<u>-</u>
	<u>\$ 159,458,564</u>	<u>\$ 42,766,616</u>

The School District reported deferred outflows of resources for a deferred loss on refunding bonds in the district-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District also reports deferred inflows of resources of \$1,861,599 for State aid and Day School Tuition that did not meet the availability criteria in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The School District's deferred outflows of resources and deferred inflows of resources in relation to its pension obligations are detailed in the discussion of the School District's pension plans in Note 3E.

Long-term Liabilities - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and

Note 1 - Summary of Significant Accounting Policies (Continued)

discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as General Fund, Debt Service or Capital Projects funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation, sick and terminal leave upon separation from service. The liability for such accumulated leave is reflected in the district-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability (Asset) - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

Net Position - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes net investment in capital assets, restricted for capital projects, debt service and special purpose. The balance is classified as unrestricted.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that

Note 1 - Summary of Significant Accounting Policies (Continued)

are restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Board is the highest level of decision making authority for the School District that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the School District removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board for amounts assigned for balancing the subsequent year's budget or delegated to the Commissioner of Finance for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the School District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the School District's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Special Aid funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates

Note 1 - Summary of Significant Accounting Policies (Continued)

also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is **November __, 2019**.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The School District generally follows the procedures enumerated below in establishing the budgetary data reflected in the fund financial statements:

- a) The School District administration prepares a proposed budget for approval by the Board of Education. The School District must submit the budget to the Mayor and City Council's Budget Committee by March 1st. The budget is included in the City's budget and must be approved by the City Council.
- b) The Charter requires the budget to be presented to the City Council by April 15th.
- c) The School District budget is referred to the City Council's Budget Committee for deliberations and hearings.
- d) The City Council sets a date for a public hearing which is generally in May.
- e) After the public hearing, the City Council adopts the City budget, which includes appropriations and estimated revenues of the School District. By Charter, this may not be later than June 1st.
- f) The Fiscal Agent (State Comptroller), as defined by the Special Local Finance and Budget Act, reviews the City budget to determine the justification documents required. This Act limits budgeted expenditures to amounts not less than those of the previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed as support.
- g) After adoption, the Fiscal Agent certifies that the City budget is in compliance with the Special Local Finance and Budget Act.
- h) Formal budgetary integration is employed during the year as a management control device for General, Special Aid, School Lunch and Debt Service funds.
- i) Budgets for General, Special Aid, School Lunch and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund.
- j) The legally adopted budget is controlled at the fund level of expenditures. Transfers between appropriation accounts require approval by the Superintendent. Any

Note 2 - Stewardship, Compliance and Accountability (Continued)

modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations requires Board of Education and City Council approval.

- k) Appropriations in General, Special Aid, School Lunch and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Board of Education.

B. Capital Projects Fund Deficit

The Bond Anticipation Notes – August 2018 capital project had a deficit fund balance in the amount of \$1,037,239. This deficit arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an “other financing source”. Liabilities and bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

C. Special Aid Fund Deficit

The deficit in the Special Aid fund in the amount of \$2,517,307 resulted from the School District incurring expenditures prior to the formal execution of a grant contract with New York State. The deficit will be eliminated upon the subsequent receipt of State aid.

Note 3 - Detailed Notes on All Funds

A. Due From/To and Advances To/From Other Funds

The composition of interfund balances at June 30, 2019 were as follows:

Fund	Due From	Due To	Advances To/From
General	\$ 3,032,896	\$ 42,528,460	\$ 2,517,307
Special Aid	684,142	807,858	(2,517,307)
Capital Projects	42,963	1,451,108	-
Non-Major Governmental	42,528,460	1,501,035	-
	\$ 46,288,461	\$ 46,288,461	\$ -

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

B. Capital Assets

Changes in the School District's capital assets are as follows:

Class	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets, not being depreciated:				
Land	\$ 6,597,219	\$ -	\$ -	\$ 6,597,219
Construction in progress	38,781,646	24,561,104	1,093,415	62,249,335
Total Capital Assets, not being depreciated	<u>\$ 45,378,865</u>	<u>\$ 24,561,104</u>	<u>\$ 1,093,415</u>	<u>\$ 68,846,554</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 407,455,857	\$ 1,114,459	\$ -	\$ 408,570,316
Machinery and Equipment	3,807,059	391,383	858,380	3,340,062
Total Capital Assets, being depreciated	<u>411,262,916</u>	<u>1,505,842</u>	<u>858,380</u>	<u>411,910,378</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	171,338,314	9,949,860	-	181,288,174
Machinery and Equipment	1,675,650	935,300	858,380	1,752,570
Total Accumulated Depreciation	<u>173,013,964</u>	<u>10,885,160</u>	<u>858,380</u>	<u>183,040,744</u>
Total Capital Assets, being depreciated, net	<u>\$ 238,248,952</u>	<u>\$ (9,379,318)</u>	<u>\$ -</u>	<u>\$ 228,869,634</u>
Capital Assets, net	<u>\$ 283,627,817</u>	<u>\$ 15,181,786</u>	<u>\$ 1,093,415</u>	<u>\$ 297,716,188</u>

Depreciation expense was charged to School District functions and programs as follows:

General Support	\$ 5,700,500
Instruction	5,170,681
Cost of Food Sales	13,979
Total Depreciation Expense	<u>\$ 10,885,160</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2019 were as follows:

	Fund				Total
	General	Special Aid	Capital Projects	Non-Major Governmental	
Payroll and Employee Benefits	\$ 17,564,325	\$ 876,029	\$ -	\$ 198,148	\$ 18,638,502
Tuition	9,411,704	417,447	-	-	9,829,151
Other	356,508	165	171,992	121,310	649,975
	<u>\$ 27,332,537</u>	<u>\$ 1,293,641</u>	<u>\$ 171,992</u>	<u>\$ 319,458</u>	<u>\$ 29,117,628</u>

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

D. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Rate of Interest	Balance July 1, 2018	New Issues	Maturities and/or Payments	Balance June 30, 2019
Various building improvements	2018	3.00 %	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -
Textbooks and equipment	2018	3.00	-	200,000	200,000	-
Various building improvements	2019	2.43	-	27,320,000	-	27,320,000
			<u>\$ -</u>	<u>\$ 30,020,000</u>	<u>\$ 2,700,000</u>	<u>\$ 27,320,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvements projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expense/expenditures was recorded in the City's financial statements.

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2019	Due Within One-Year
Governmental Activities					
General Obligation Bonds Payable					
Capital Construction	\$ 145,717,158	\$ -	\$ 21,068,504	\$ 124,648,654	\$ 12,463,654
Deficit Financing	29,597,000	-	3,300,000	26,297,000	3,891,000
	175,314,158	-	24,368,504	150,945,654	16,354,654
Unamortized Premium on Bonds	14,345,503	-	2,516,424	11,829,079	-
	189,659,661	-	26,884,928	162,774,733	16,354,654
Notes Payable	9,473,797	-	1,320,595	8,153,202	1,378,340
State Loan Payable	2,400,000	-	200,000	2,200,000	200,000
Other Non-current Liabilities:					
Retirement Incentives and					
Other Pension Obligations	22,331,503	272,754	4,080,902	18,523,355	4,241,505
Compensated Absences	18,323,132	2,967,672	1,832,000	19,458,804	1,946,000
Net Pension Liability	7,261,697	9,826,031	-	17,087,728	-
Other Post Employment					
Benefit Obligations	1,675,948,910	79,699,935	36,892,086	1,718,756,759	-
Total Other Non-current Liabilities	<u>1,723,865,242</u>	<u>92,766,392</u>	<u>42,804,988</u>	<u>1,773,826,646</u>	<u>6,187,505</u>
Governmental Activities					
Total Long-Term Liabilities	<u>\$ 1,925,398,700</u>	<u>\$ 92,766,392</u>	<u>\$ 71,210,511</u>	<u>\$ 1,946,954,581</u>	<u>\$ 24,120,499</u>

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The liabilities for notes payable, retirement incentives and other pension obligations, compensated absences, net pension liability and other post employment benefit obligations are liquidated by the respective fund, primarily the General Fund. The School District's indebtedness for general obligation bonds and State loans payable is satisfied by the Debt Service Fund, which is funded primarily by the General Fund.

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2019 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2019
District-wide Construction	2009	\$ 13,836,000	December, 2019	.350 %	\$ 1,400,000
District-wide Construction	2011	12,555,000	October, 2027	5.000	2,345,000
District-wide Construction	2011	15,000,000	December, 2026	5.750	8,000,000
District-wide Construction	2012	26,590,000	August, 2025	3.000	16,660,000
Refunding	2015	14,430,000	September, 2027	2.5 - 5.000	11,745,000
Deficit financing	2015	37,260,000	March, 2025	5.000	7,975,000
District-wide Construction	2015	21,355,000	October, 2029	2.5 - 3.000	17,400,000
District-wide Construction	2016	18,370,000	September, 2027	3.141-4.741	15,585,000
Refunding	2016	14,700,766	August, 2019	3.0 - 5.000	803,654
District-wide Construction	2016	15,525,000	November, 2036	3.0 - 5.000	14,785,000
District-wide Construction	2017	20,405,000	June, 2038	3.0 - 5.000	20,370,000
Refunding-Deficit Financing	2017	22,132,000	October, 2025	2.0 - 5.000	18,322,000
Refunding	2017	17,255,000	June, 2031	3.0 - 5.000	15,555,000
					<u>\$ 150,945,654</u>

Interest expenditures of \$6,834,245 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$4,105,526 was recorded in the district-wide financial statements.

Notes Payable

During 2009, the School District entered into a contractual agreement for the acquisition of energy efficient equipment to assist the School District in reducing its ongoing energy costs. The terms of the agreement provide for annual installments of \$793,596, including interest at 2.32%, through October, 2024. The balance due at June 30, 2019 was \$4,397,101.

During 2011, the School District entered into a second contractual agreement to finance energy savings upgrades. The terms of the agreement provide for semi-annual installments in varying amounts from \$310,515 to \$443,505, including interest at 3.77%, through February, 2024. The balance due at June 30, 2019 was \$3,756,101.

Interest expenditures of \$277,858 were recorded in the fund financial statement in the General Fund. Interest expense of \$319,788 was recorded in the district-wide financial statements.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

State Loan Payable

The State of New York, pursuant to Chapter 88 of the Laws of 2000, accelerated \$6 million of State aid during the 1999-2000 fiscal year. In each of the subsequent 30 years, the aid formula enumerated in the statutes will reduce the accelerated portion by \$200,000 per year. This loan is interest free. Accordingly, at June 30, 2019, the School District has recorded a liability of \$2,200,000.

The provisions of the statute also require the School District's chief fiscal officer to monitor all budgets and prepare a quarterly report depicting revenue and expenditure trends. The reports require recommended remedial action by the Superintendent, if necessary, to resolve any unfavorable budget variances. The reports are to be submitted within sixty days after the end of the quarter to the Board of Education, the State Division of the Budget, the State Comptroller, the Commissioner of Education, the Chairman of the Assembly Ways and Means Committee and the Chairman of the Senate Finance Committee.

Payments to Maturity

The annual requirements to amortize all outstanding bond, notes and State loan debt as of June 30, 2019, including interest payments of \$34,917,125 are as follows:

Year Ending June 30,	Bonds		Notes Payable		State Loan
	Principal	Interest	Principal	Interest	Principal
2020	\$ 16,354,654	\$ 5,864,959	\$ 1,378,340	237,454	\$ 200,000
2021	14,676,000	5,244,847	1,438,571	195,079	200,000
2022	15,210,000	4,506,400	1,501,399	150,647	200,000
2023	15,500,000	3,855,575	1,566,931	104,061	200,000
2024	16,085,000	3,210,519	1,492,390	55,225	200,000
2025-2029	50,030,000	8,225,600	775,571	18,023	1,000,000
2030-2034	14,410,000	2,666,669	-	-	200,000
2035-2038	8,680,000	582,067	-	-	-
	<u>\$ 150,945,654</u>	<u>\$ 34,156,636</u>	<u>\$ 8,153,202</u>	<u>\$ 760,489</u>	<u>\$ 2,200,000</u>

Year Ending June 30,	Total	
	Principal	Interest
2020	\$ 17,932,994	\$ 6,102,413
2021	16,314,571	5,439,926
2022	16,911,399	4,657,047
2023	17,266,931	3,959,636
2024	17,777,390	3,265,744
2025-2029	51,805,571	8,243,623
2030-2034	14,610,000	2,666,669
2035-2038	8,680,000	582,067
	<u>\$ 161,298,856</u>	<u>\$ 34,917,125</u>

The above general obligation bonds, notes payable and State loan and are direct obligations of the City and School District for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the City.

Note 3 - Detailed Notes on All Funds (Continued)

Prior Year Defeasance of Debt

In prior years, the School District defeased certain bonds by placing the proceeds of new bonds or certain defined revenues in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account's assets and the liability for the defeased bonds are not included in the School District's financial statements. At June 30, 2019, \$24,220,000 of the bonds are considered defeased.

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rates as compared to the System's overall graded rate. The amortized amounts are to be paid in equal installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The School District has elected to amortize the maximum allowable ERS contribution in each of the fiscal years since this option was first offered excluding the June 30, 2011 year end. The amount required to be amortized under this option during the 2018-19 fiscal year was \$2,421,043, including interest of \$529,543 and was charged to the General Fund. The balance due at June 30, 2019 was \$13,912,392.

Chapter 57 of the laws of 2013, Part BB, authorized local governments at their option, to amortize a portion of their respective TRS contributions beginning in 2014. Stabilization rates will continue through 2020. The deferred contribution for years one through five will be amortized over a five-year period, with payments beginning in year six. Interest on deferred amounts will be based on the monthly average yield on 10-year U.S. Treasury securities for the 12-month period that precedes August 1 of the applicable deferred year, plus 1%. The School District has elected to amortize the maximum allowable TRS contribution for years ended June 30, 2014 and June 30, 2015 which aggregated \$4,631,076 and \$7,535,726, respectively. The balance due at June 30, 2019 was \$4,610,963.

	Original Amount Amortized	Current Year Payments	Principal Balance Due	Due Within One Year
2009-2010 ERS	\$ 829,817	\$ 106,812	\$ 199,820	\$ 97,474
2011-2012 ERS	2,236,786	271,104	759,409	243,876
2012-2013 ERS	4,122,338	481,481	1,796,342	429,373
2013-2014 ERS	5,112,072	537,143	3,252,757	414,840
2014-2015 ERS	5,861,562	606,576	4,169,587	460,642
2015-2016 ERS	2,059,587	209,901	1,617,515	157,218
2016-2017 ERS	1,213,378	119,221	1,036,462	91,963
2017-2018 ERS	867,826	88,805	807,746	62,068
2018-2019 ERS	272,754	-	272,754	18,163
2013-2014 TRS	4,631,076	632,719	1,237,155	609,706
2014-2015 TRS	7,535,726	1,735,968	3,373,808	1,656,182
	<u>\$ 34,742,922</u>	<u>\$ 4,789,730</u>	<u>\$ 18,523,355</u>	<u>\$ 4,241,505</u>

Note 3 - Detailed Notes on All Funds (Continued)

The current year payments are as follows:

ERS	TRS	Total
\$ 2,421,043	\$ 2,368,687	\$ 4,789,730

Compensated Absences

School District employees earn vacation leave based upon the terms of the respective collective bargaining agreements. Civil service employees, teamsters and central administrators, upon separation of service from the School District, will be compensated for unused vacation time as provided in their bargaining agreements. Civil service employees, with at least 20 years of service to the School District, are entitled to terminal leave upon separation. Eligible employees receive pay equivalent to 30 work days plus 1-1/2 day's additional pay for each year over twenty years of service. Commencing with the 2005-06 fiscal year, employees who have ten years or more of consecutive service shall be entitled to payment for their accumulated unused sick days upon retirement as follows: day's 1-49 \$10/day, day's 50-99 \$20/day, day's 100-149 \$30/day and day's 150-200 \$40/day. Additionally, teachers and building administrators with at least 20 years of service to the School District are also entitled to payment for accumulated unused sick days upon retirement. The amount paid to teachers for each accumulated day is based on the number of days accumulated. The amount to be paid to building administrators is \$200 per day. The value of the compensated absences has been reflected in the district-wide financial statements.

Pension Plans

New York State and Local Retirement System and Teachers' Retirement System

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The School District also participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its

Yonkers City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at www.nystrs.org or obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

ERS and TRS are noncontributory for employees who joined the systems before July 27, 1976. Employees who joined the systems after July 27, 1976 and before January 1, 2010 contribute 3% of their salary for the first ten years of membership. Employees who joined the systems after January 1, 2010 generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Pursuant to Article 11 of the Education Law of the State of New York, actuarially determined employer contributions are established annually for the TRS by its Board of Trustees. The employer contribution rates for the plans' year ending in 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	21.6 %
	2 75I	19.7
	3 A15	15.9
	4 A15	15.9
	5 A15	13.1
	6 A15	9.4
TRS	1-6	10.62 %

At June 30, 2019, the School District reported the following for its proportionate share of the net pension liability (asset) for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2019	June 30, 2018
Net pension liability (asset)	\$ 17,087,728	\$ (27,507,493)
School Districts' proportion of the net pension liability (asset)	0.2411714 %	1.521210 %
Change in proportion since the prior measurement date	0.0161731 %	0.004462 %

The net pension liability (asset) was measured as of March 31, 2019 for ERS and June 30, 2018 for TRS and the total pension liability used to calculate the net pension liability (asset) were determined by actuarial valuations as of those dates. The School District's proportion of the net pension liability for ERS was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

members. The School District's proportion of the net pension asset for TRS was based on the School District's contributions to the pension plan relative to the contributions of all participating members.

For the year ended June 30, 2019, the School District recognized pension expense in the district-wide financial statements of \$32,534,983 (\$11,699,861 for ERS and \$20,835,122 for TRS). Pension expenditures (including incentive payments) were recorded in the fund financial statements as follows:

Fund	ERS	TRS
General	\$ 11,073,076	\$ 26,684,986
Special Aid	408,323	2,656,084
School Lunch	676,081	-
Total	\$ 12,157,480	\$ 29,341,070

At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ERS		TRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,364,931	\$ 1,147,067	\$ 20,556,128	\$ 3,723,517
Changes of assumptions	4,295,156	-	96,156,736	-
Net difference between projected and actual earnings on pension plan investments	-	4,385,655	-	30,535,413
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,842,499	543,840	67,116	2,431,124
School District contributions subsequent to the measurement date	2,459,100	-	26,947,692	-
	<u>\$ 11,961,686</u>	<u>\$ 6,076,562</u>	<u>\$ 143,727,672</u>	<u>\$ 36,690,054</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 23,921,059	\$ 4,870,584		
Changes of assumptions	100,451,892	-		
Net difference between projected and actual earnings on pension plan investments	-	34,921,068		
Changes in proportion and differences between School District contributions and proportionate share of contributions	1,909,615	2,974,964		
School District contributions subsequent to the measurement date	29,406,792	-		
	<u>\$ 155,689,358</u>	<u>\$ 42,766,616</u>		

Yonkers City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

\$2,459,100 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2020. The \$26,947,692 reported as deferred outflows of resources related to TRS will be recognized as an increase of the net pension asset in the plan's year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2019	\$ -	\$ 27,077,215
2020	3,801,273	18,225,102
2021	(2,945,484)	1,479,708
2022	(35,640)	18,160,295
2023	2,605,875	12,250,031
Thereafter	-	2,897,575

The total pension liability for the ERS and TRS measurement dates were determined by using actuarial valuation dates as noted below, with update procedures used to roll forward the total pension liabilities to those measurement dates. Significant actuarial assumptions used in the valuations were as follows:

	ERS	TRS
Measurement Date	March 31, 2019	June 30, 2018
Actuarial valuation date	April 1, 2018	June 30, 2017
Investment rate of return	7.0% *	7.25% *
Salary scale	3.8%	1.90%-4.72%
Inflation rate	2.5%	2.25%
Cost of living adjustments	1.3%	1.5%

*Compounded annually, net of pension plan investment expenses, including inflation.

For ERS, annuitant mortality rates are based on the ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014, applied on a generational basis. Active member mortality rates are based on plan member experience.

The actuarial assumptions used in the ERS valuation were based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. The actuarial assumptions used in the TRS valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2014.

For ERS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major

Yonkers City School District, New York

Notes to Financial Statements (Continued)

June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

asset class. These ranges 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 and by adding expected inflation.

For TRS, the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (“ASOP”) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table:

Asset Type	ERS March 31, 2019		TRS June 30, 2018	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %	33 %	5.80 %
International Equity	14	6.35	16	7.30
Private Equity	10	7.50	8	8.90
Real Estate	10	5.55	11	4.90
Domestic Fixed Income Securities	-	-	16	1.30
Global Fixed Income Securities	-	-	2	0.90
High Yield Fixed Income Securities	-	-	1	3.50
Short-Term	-	-	1	0.30
Global Equities	-	-	4	6.70
Private Debt	-	-	1	6.80
Real Estate Debt	-	-	7	2.80
Absolute Return Strategies	2	3.75	-	-
Opportunistic Portfolio	3	5.68	-	-
Real Assets	3	5.29	-	-
Bonds and Mortgages	17	1.31	-	-
Cash	1	(0.25)	-	-
Inflation Indexed Bonds	4	1.25	-	-
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.3% for TRS.

The discount rate used to calculate the total pension liability was 7.0% for ERS and 7.25% for TRS. The projection of cash flows used to determine the discount rate assumes that

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of 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.

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 7.0% for ERS and 7.25% for TRS, as well as what the School District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0% for ERS and 6.25% for TRS) or 1 percentage point higher (8.0% for ERS and 8.25% for TRS) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
School District's proportionate share of the ERS net pension liability (asset)	\$ 74,710,273	\$ 17,087,728	\$ (31,319,297)
	1% Decrease (6.25%)	Current Assumption (7.25%)	1% Increase (8.25%)
School District's proportionate share of the TRS net pension liability (asset)	\$ 188,980,970	\$ (27,507,493)	\$ (208,864,664)

The components of the collective net pension liability as of the March 31, 2019 ERS measurement date and the June 30, 2018 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 189,803,429,000	\$ 118,107,253,288
Fiduciary net position	182,718,124,000	119,915,517,622
Employers' net pension liability (asset)	\$ 7,085,305,000	\$ (1,808,264,334)
Fiduciary net position as a percentage of total pension liability	96.27%	101.53%

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2019 represent the projected employer contribution for the period April 1, 2019 through June 30, 2019 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Note 3 - Detailed Notes on All Funds (Continued)

Employer and employee contributions for the year ended June 30, 2019 are paid to TRS in the following fiscal year through a state aid intercept or, if state aid is insufficient, through a payment by the School District to TRS. Accrued retirement contributions as of June 30, 2019 represent employee and employer contributions for the fiscal year ended June 30, 2019 based on paid TRS wages multiplied by the employers' contribution rate plus employee contributions for the fiscal year as reported to TRS.

Accrued retirement contributions as of June 30, 2019 were \$2,459,100 to ERS and \$31,142,725 to TRS, including employee contributions of \$1,826,345 and incentive payments of \$2,368,688.

Voluntary Defined Contribution Plan

The School District can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the School District will contribute 8%. Employer contributions vest after 365 days of service. No current employees participated in this program.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the School District provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the School District may vary according to length of service. The cost of providing post employment health care benefits is shared between the School District and the retired employee as noted below. Substantially all of the School District's employees may become eligible for those benefits if they reach normal retirement age while working for the School District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	2,444
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>3,417</u>
	<u><u>5,861</u></u>

The School District's total OPEB liability of \$1,718,756,759 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (8% decreasing to 4%) or 1 percentage point higher (10% decreasing to 5%) than the current healthcare cost trend rates:

	1% Decrease (8% decreasing to 4%)	Healthcare Cost Trend Rates (9% decreasing to 5%)	1% Increase (10% decreasing to 6%)
Total OPEB Liability	<u>\$ 1,349,165,265</u>	<u>\$ 1,718,756,759</u>	<u>\$ 2,270,382,327</u>

For the year ended June 30, 2019, the School District recognized OPEB expense of \$79,699,935 in the district-wide financial statements. At June 30, 2019, no amounts were reported in deferred outflows/inflows of resources.

F. Revenues and Expenditures

Contribution from City of Yonkers

The School District is funded by State aid, charges for services and other miscellaneous revenues. The balance of the funding is provided by a contribution from the City. For the year ended June 30, 2019, the City has dedicated \$261,595,141 of ad valorem taxes to fund the educational programs of the School District.

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without equivalent flows of assets in return. The interfund transfers reflected below have been reported as transfers.

	Transfers In		
	Special Aid Fund	Non-Major Governmental Funds	
<u>Transfers Out</u>			
General Fund	<u>\$ 1,493,323</u>	<u>\$ 964,300</u>	<u>\$ 2,457,623</u>

Transfers are used to 1) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and School Lunch funds expenditures.

Note 3 - Detailed Notes on All Funds (Continued)

G. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amount restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Purpose - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by either external parties and/or statute.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

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Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2019

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2019				2018				
	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable -									
Inventories	\$ -	\$ -	\$ -	\$ 228,564	\$ 228,564	\$ -	\$ -	\$ 293,391	\$ 293,391
Advances	2,517,307	-	-	-	2,517,307	-	-	-	-
Total Nonspendable	2,517,307	-	-	228,564	2,745,871	-	-	293,391	293,391
Restricted:									
Debt service	-	-	-	96,603	96,603	-	-	166,361	166,361
Debt service - for subsequent years expenditures	-	-	-	166,361	166,361	964,300	-	4,233	968,533
Capital projects	-	-	14,569,060	-	14,569,060	-	28,779,721	-	28,779,721
Special purpose	-	-	-	246,481	246,481	-	-	297,885	297,885
Total Restricted	-	-	14,569,060	509,445	15,078,505	964,300	28,779,721	468,479	30,212,500
Assigned -									
Purchases on order:									
General government support	237,166	-	-	-	237,166	11,068	-	-	11,068
Instruction	52,141	-	-	-	52,141	71,240	-	-	71,240
Pupil transportation	-	-	-	-	-	566	-	-	566
	289,307	-	-	-	289,307	82,874	-	-	82,874
Subsequent year's expenditures	7,806,273	-	-	-	7,806,273	24,093,643	-	1,087,018	25,180,661
School Lunch Fund	-	-	-	876,478	876,478	-	-	(311,053)	(311,053)
Total Assigned	8,095,580	-	-	876,478	8,972,058	24,176,517	-	775,965	24,952,482
Unassigned	12,717,821	(2,517,307)	-	-	10,200,514	7,806,273	-	-	7,806,273
Total Fund Balances	\$ 23,330,708	\$ (2,517,307)	\$ 14,569,060	\$ 1,614,487	\$ 36,996,948	\$ 32,947,090	\$ 28,779,721	\$ 1,537,835	\$ 63,264,646

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Inventories in the School Lunch Fund have been classified as nonspendable to indicate that a portion of fund balance is not "available" for expenditure because the asset is in the form of commodities and the School District anticipates utilizing them in the normal course of operations.

Advances have been established to indicate the long-term nature of funds advanced to the Special Aid Fund. The amount is classified as nonspendable to indicate that these funds do not represent "available" spendable resources even though they are a component of current assets.

Purchases on order are assigned and represent the School District's intention to honor the contracts in process at year-end. The subsequent year's appropriation will be amended to provide authority to complete the transactions.

Subsequent year's expenditures represent that at June 30, 2019, the City has utilized the above amount to be appropriated for the ensuing year's budget.

Assigned for School Lunch Fund represents the component of fund balance that reports the difference between assets and liabilities of the School Lunch Fund.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

There are several employment discrimination and tort claims that have been filed against the School District, which are in various stages and are either awaiting trial or judgment. The City is self-insured with respect to most tort and workers' compensation matters for both the City and School District. The City's actuarial consultant provides an analysis of loss experience. The government-wide financial statements of the City reflects general and workers' compensation claims which are based upon estimates of the ultimate cost of claims that have been reported, but not settled, and of claims that have been incurred but not reported. Because the City defends all claims and pays all judgments or settlements arising from workers' compensation claims and liability torts, no amounts have been recorded in the School District's financial statements.

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District anticipates such amounts, if any, to be immaterial.

The School District is subject to audits of State aid by the New York State Education Department. The amount of aid previously paid to the School District which may be disallowed cannot be determined at this time, although the School District anticipates such amounts, if any to be immaterial.

Yonkers City School District, New York

Notes to Financial Statements (Concluded)
June 30, 2019

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Risk Management

Property, Automobile and Errors and Omissions

The School District purchases conventional insurance coverage to reduce its exposure to loss. The School District maintains property and casualty insurance to reduce its exposure to loss from damage or fire to School District owned properties. The School District also maintains an automobile policy with coverage up to \$1 million per occurrence and an excess policy with coverage up to \$4 million. The School District maintains a policy for school leaders errors and omissions with coverage up to \$5 million in the aggregate and a policy for student professional liability with coverage up to \$3 million in the aggregate. Additionally, the School District maintains a student accident policy. Settled claims resulting from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Workers' Compensation and Liability Claims

The City defends all claims and pays all judgments or settlements arising from workers' compensation claims and liability torts.

Health Benefits

The School District purchases conventional health insurance coverage for all full-time School District employees and retirees.

Note 5 - Subsequent Event

In August 2018, the School District, through the City, issued bond anticipation notes in the amount of \$2,700,000, maturing in May 2019 with interest rates ranging from 3.0-3.5%.

Yonkers City School District, New York

Required Supplementary Information - Schedule of Changes in the
 School District's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years (1) (3)

	<u>2019</u>	<u>2018</u>
Total OPEB Liability:		
Service cost	\$ 21,687,335	\$ 21,055,665
Interest	58,012,600	56,562,154
Benefit payments	<u>(36,892,086)</u>	<u>(35,460,915)</u>
Net Change in Total OPEB Liability	42,807,849	42,156,904
Total OPEB Liability – Beginning of Year	<u>1,675,948,910</u>	<u>1,633,792,006</u> (2)
Total OPEB Liability – End of Year	<u>\$ 1,718,756,759</u>	<u>\$ 1,675,948,910</u>
School District's covered-employee payroll	<u>\$ 297,094,732</u>	<u>\$ 279,031,345</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>578.52%</u>	<u>600.63%</u>

Notes to Schedule:

- (1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".
- (2) Restated for the implementation of the provisions of GASB Statement No. 75.
- (3) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

Yonkers City School District, New York

Required Supplementary Information - Schedule of the
 School District's Proportionate Share of the Net Pension Liability (Asset)
 New York State Teachers' Retirement System
 Last Ten Fiscal Years (1)

	2019	2018 (3)	2017 (2)	2016	2015
School District's proportion of the net pension liability (asset)	<u>1.521210%</u>	<u>1.516748%</u>	<u>1.481040%</u>	<u>1.475492%</u>	<u>1.447884%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (27,507,493)</u>	<u>\$ (11,528,794)</u>	<u>\$ 15,862,559</u>	<u>\$ (153,256,641)</u>	<u>\$ (164,733,013)</u>
School District's covered-employee payroll	<u>\$ 248,808,490</u>	<u>\$ 240,090,469</u>	<u>\$ 228,539,404</u>	<u>\$ 221,638,990</u>	<u>\$ 207,758,212</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>11.06%</u>	<u>4.80%</u>	<u>6.94%</u>	<u>69.15%</u>	<u>79.29%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

Note - The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

- (1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".
- (2) The discount rate used to calculate the total pension liability was decreased from 8.0% to 7.5% effective with the June 30, 2016 measurement date.
- (3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.25% effective with the June 30, 2017 measurement date.

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Yonkers City School District, New York

Required Supplementary Information - Schedule of Contributions
 New York State Teachers' Retirement System
 Last Ten Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 26,947,692	\$ 24,383,232	\$ 28,138,603	\$ 30,304,325	\$ 38,853,314
Contributions in relation to the contractually required contribution	<u>(26,947,692)</u>	<u>(24,383,232)</u>	<u>(28,138,603)</u>	<u>(30,304,325)</u>	<u>(38,853,314)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 253,744,746</u>	<u>\$ 248,808,490</u>	<u>\$ 240,090,469</u>	<u>\$ 228,539,404</u>	<u>\$ 221,638,990</u>
Contributions as a percentage of covered payroll	<u>10.62%</u>	<u>9.80%</u>	<u>11.72%</u>	<u>13.26%</u>	<u>17.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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Yonkers City School District, New York

Required Supplementary Information - Schedule of the
 School District's Proportionate Share of the Net Pension Liability
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (2)</u>	<u>2015</u>
School District's proportion of the net pension liability	<u>0.2411714%</u>	<u>0.2249983%</u>	<u>0.2365530%</u>	<u>0.2305044%</u>	<u>0.2600000%</u>
School District's proportionate share of the net pension liability	<u>\$ 17,087,728</u>	<u>\$ 7,261,697</u>	<u>\$ 22,227,049</u>	<u>\$ 36,996,600</u>	<u>\$ 8,667,336</u>
School District's covered payroll	<u>\$ 68,558,288</u>	<u>\$ 69,455,634</u>	<u>\$ 63,494,500</u>	<u>\$ 64,732,543</u>	<u>\$ 62,258,485</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>24.92%</u>	<u>10.46%</u>	<u>35.01%</u>	<u>57.15%</u>	<u>13.92%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

- (1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".
- (2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

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Yonkers City School District, New York

Required Supplementary Information - Schedule of Contributions
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 9,815,900	\$ 9,413,104	\$ 9,761,360	\$ 9,908,281	\$ 13,039,579
Contributions in relation to the contractually required contribution	<u>(9,815,900)</u>	<u>(9,413,104)</u>	<u>(9,761,360)</u>	<u>(9,908,281)</u>	<u>(13,039,579)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 69,124,236</u>	<u>\$ 70,709,569</u>	<u>\$ 63,816,965</u>	<u>\$ 62,967,109</u>	<u>\$ 60,571,468</u>
Contributions as a percentage of covered payroll	<u>14.20%</u>	<u>13.31%</u>	<u>15.30%</u>	<u>15.74%</u>	<u>21.53%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

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Yonkers City School District, New York

General Fund
 Comparative Balance Sheet
 June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Receivables		
Accounts	\$ 10,843,838	\$ 10,812,378
State and Federal aid	80,320,197	74,244,536
Due from City of Yonkers	69,252,283	71,867,619
Due from other funds	3,032,896	2,732,874
Advances to other funds	2,517,307	-
	<u>165,966,521</u>	<u>159,657,407</u>
Total Assets	<u>\$ 165,966,521</u>	<u>\$ 159,657,407</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 36,479,943	\$ 27,695,799
Accrued liabilities	27,332,537	23,572,781
Due to other governments	573,618	1,382,114
Due to retirement systems	33,601,825	30,794,519
Due to other funds	42,528,460	41,563,212
Overpayments	257,831	154,065
	<u>140,774,214</u>	<u>125,162,490</u>
Total Liabilities	140,774,214	125,162,490
Deferred inflows of resources		
Unavailable revenues	1,861,599	1,547,827
	<u>142,635,813</u>	<u>126,710,317</u>
Total Liabilities and Deferred inflows of Resources	<u>142,635,813</u>	<u>126,710,317</u>
Fund balance		
Nonspendable	2,517,307	-
Restricted	-	964,300
Assigned	8,095,580	24,176,517
Unassigned	12,717,821	7,806,273
	<u>23,330,708</u>	<u>32,947,090</u>
Total Fund Balance	<u>23,330,708</u>	<u>32,947,090</u>
	<u>\$ 165,966,521</u>	<u>\$ 159,657,407</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 165,966,521</u>	<u>\$ 159,657,407</u>

See independent auditors' report.

Yonkers City School District, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended June 30,

	2019				Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Encumbr- ances	
REVENUES					
Charges for services	\$ 366,900	\$ 366,900	\$ 171,318	\$	\$ (195,582)
Use of money and property	293,000	293,000	288,303		(4,697)
Sale of property and compensation for loss	-	-	3,428		3,428
Interfund revenues	506,316	506,316	384,799		(121,517)
State aid	320,829,704	320,829,704	322,208,427		1,378,723
Federal aid	650,000	650,000	1,606,606		956,606
Miscellaneous	938,020	938,020	3,657,493		2,719,473
Total Revenues	323,583,940	323,583,940	328,320,374		4,736,434
EXPENDITURES					
Current					
General support					
Board of education	285,639	285,639	246,546	-	39,093
Central administration	932,146	953,505	938,035	-	15,470
Finance	154,000	154,000	126,450	-	27,550
Central services	38,857,462	39,540,807	38,538,114	237,166	765,527
Special items	1,048,646	1,048,646	1,047,467	-	1,179
Total General Support	41,277,893	41,982,597	40,896,612	237,166	848,819
Instruction					
Instruction, administration and improvement	31,404,725	31,867,715	31,058,528	253	808,934
Teaching - Regular school	182,024,292	182,391,360	180,634,700	11,683	1,744,977
Programs for students with disabilities	93,719,502	93,778,912	91,694,792	2,719	2,081,401
Occupational education	6,676,399	6,491,620	6,444,105	5,550	41,965
Instructional media	1,952,029	1,989,233	1,950,281	800	38,152
Pupil services	20,557,667	21,079,772	19,980,054	31,136	1,068,582
Total Instruction	336,334,614	337,598,612	331,762,460	52,141	5,784,011
Pupil transportation	37,162,461	38,009,614	37,315,554	-	694,060
Employee benefits	160,702,761	157,886,906	155,066,979	-	2,819,927
Debt service					
Principal	1,320,595	1,320,595	1,320,595	-	-
Interest	277,858	277,858	277,858	-	-
Total Debt Service	1,598,453	1,598,453	1,598,453	-	-
Total Expenditures	577,076,182	577,076,182	566,640,058	289,307	10,146,817
Deficiency of Revenues Over Expenditures	(253,492,242)	(253,492,242)	(238,319,684)	(289,307)	14,883,251
OTHER FINANCING SOURCES (USES)					
Contribution from City of Yonkers	231,160,925	231,160,925	231,160,925	-	-
Transfers out	(1,845,200)	(2,809,500)	(2,457,623)	-	351,877
Total Other Financing Sources	229,315,725	228,351,425	228,703,302	-	351,877
Net Change in Fund Balance	(24,176,517)	(25,140,817)	(9,616,382)	\$ (289,307)	\$ 15,235,128
FUND BALANCE					
Beginning of Year	24,176,517	25,140,817	32,947,090		
End of Year	\$ -	\$ -	\$ 23,330,708		

See independent auditors' report.

2018				
Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
\$ 434,500	\$ 434,500	\$ 391,995	\$	\$ (42,505)
268,000	268,000	300,267		32,267
-	-	308,435		308,435
621,373	621,373	374,565		(246,808)
303,812,539	305,312,539	300,326,079		(4,986,460)
614,900	614,900	1,133,856		518,956
686,300	686,300	3,514,637		2,828,337
<u>306,437,612</u>	<u>307,937,612</u>	<u>306,349,834</u>		<u>(1,587,778)</u>
290,050	310,831	247,658	-	63,173
1,224,000	1,193,142	1,103,717	-	89,425
217,870	217,870	143,490	-	74,380
38,535,154	38,605,714	36,875,476	11,068	1,719,170
986,100	980,100	956,737	-	23,363
<u>41,253,174</u>	<u>41,307,657</u>	<u>39,327,078</u>	<u>11,068</u>	<u>1,969,511</u>
31,166,359	30,889,859	30,267,519	13,248	609,092
178,870,390	178,551,029	176,562,972	2,673	1,985,384
87,382,485	87,703,807	84,907,644	319	2,795,844
6,685,691	6,459,897	6,358,225	2,385	99,287
2,016,437	2,097,636	1,748,106	-	349,530
20,767,247	19,937,892	19,143,942	52,615	741,335
<u>326,888,609</u>	<u>325,640,120</u>	<u>318,988,408</u>	<u>71,240</u>	<u>6,580,472</u>
<u>35,127,380</u>	<u>37,355,783</u>	<u>37,065,038</u>	<u>566</u>	<u>290,179</u>
<u>148,041,597</u>	<u>148,225,044</u>	<u>147,884,888</u>	<u>-</u>	<u>340,156</u>
1,265,241	1,265,241	1,265,241	-	-
316,379	316,379	316,379	-	-
1,581,620	1,581,620	1,581,620	-	-
<u>552,892,380</u>	<u>554,110,224</u>	<u>544,847,032</u>	<u>82,874</u>	<u>9,180,318</u>
<u>(246,454,768)</u>	<u>(246,172,612)</u>	<u>(238,497,198)</u>	<u>(82,874)</u>	<u>7,592,540</u>
246,432,990	246,432,990	246,537,012	-	104,022
(18,609,306)	(18,891,462)	(18,781,751)	-	109,711
227,823,684	227,541,528	227,755,261	-	213,733
(18,631,084)	(18,631,084)	(10,741,937)	\$ (82,874)	\$ 7,806,273
<u>18,631,084</u>	<u>18,631,084</u>	<u>43,689,027</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,947,090</u>		

Yonkers City School District, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
CHARGES FOR SERVICES				
Day school tuition	\$ 203,700	\$ 203,700	\$ 7,796	\$ (195,904)
Summer school tuition - Individuals	3,200	3,200	4,406	1,206
Student fees and charges	9,000	9,000	-	(9,000)
Health services for other districts	150,000	150,000	158,009	8,009
Other	1,000	1,000	1,107	107
	<u>366,900</u>	<u>366,900</u>	<u>171,318</u>	<u>(195,582)</u>
USE OF MONEY AND PROPERTY				
Rental of real property - Individuals	218,000	218,000	177,376	(40,624)
Rental - Other governments	75,000	75,000	110,927	35,927
	<u>293,000</u>	<u>293,000</u>	<u>288,303</u>	<u>(4,697)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other	-	-	3,428	3,428
	<u>506,316</u>	<u>506,316</u>	<u>384,799</u>	<u>(121,517)</u>
INTERFUND REVENUES				

STATE AID

Basic formula	257,239,032	257,239,032	238,843,245	(18,395,787)
Lottery	43,197,208	43,197,208	62,971,941	19,774,733
Educational improvement plan	17,500,000	17,500,000	17,500,000	-
Textbooks	1,837,089	1,837,089	1,836,506	(583)
Computer software	871,819	871,819	872,117	298
Library materials	184,556	184,556	184,618	62

	<u>320,829,704</u>	<u>320,829,704</u>	<u>322,208,427</u>	<u>1,378,723</u>
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FEDERAL AID

Medical assistance	635,100	635,100	1,129,539	494,439
Hurricane education recovery	-	-	446,375	446,375
Impact aid	14,900	14,900	30,692	15,792

	<u>650,000</u>	<u>650,000</u>	<u>1,606,606</u>	<u>956,606</u>
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MISCELLANEOUS

Refund of prior year's expenditures	665,000	665,000	3,573,039	2,908,039
Saunders Trust Fund	700	700	710	10
Other	272,320	272,320	83,744	(188,576)

	<u>938,020</u>	<u>938,020</u>	<u>3,657,493</u>	<u>2,719,473</u>
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TOTAL REVENUES

	<u>323,583,940</u>	<u>323,583,940</u>	<u>328,320,374</u>	<u>4,736,434</u>
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OTHER FINANCING SOURCES

Contribution from City of Yonkers	231,160,925	231,160,925	231,160,925	-
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TOTAL REVENUES AND**OTHER FINANCING SOURCES**

	<u>\$ 554,744,865</u>	<u>\$ 554,744,865</u>	<u>\$ 559,481,299</u>	<u>\$ 4,736,434</u>
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See independent auditors' report.

Yonkers City School District, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 285,639	\$ 285,639	\$ 246,546	\$ -	\$ 39,093
CENTRAL ADMINISTRATION					
Chief school administrator	932,146	953,505	938,035	-	15,470
FINANCE					
Auditing	154,000	154,000	126,450	-	27,550
CENTRAL SERVICES					
Operation of plant	30,406,454	31,051,611	30,205,938	237,166	608,507
Maintenance of plant	4,467,035	4,404,125	4,335,996	-	68,129
Central printing and mailing	334,881	335,126	304,408	-	30,718
Data processing	3,647,917	3,749,945	3,691,772	-	58,173
Total Central Services	38,857,462	39,540,807	38,538,114	237,166	765,527
SPECIAL ITEMS					
Unallocated insurance	1,048,646	1,048,646	1,047,467	-	1,179
Total General Support	41,277,893	41,982,597	40,896,612	237,166	848,819

INSTRUCTION**INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	2,865,028	2,786,080	2,653,107	-	132,973
Supervision - Regular school	27,412,305	27,802,798	27,237,729	-	565,069
Research, training and evaluation	1,040,371	1,198,422	1,121,794	-	76,628
In-service training - Instruction	87,021	80,415	45,898	253	34,264

Total Instruction, Administration and Improvement

31,404,725 31,867,715 31,058,528 253 808,934

TEACHING - REGULAR SCHOOL

182,024,292 182,391,360 180,634,700 11,683 1,744,977

PROGRAMS FOR STUDENTS WITH DISABILITIES

93,719,502 93,778,912 91,694,792 2,719 2,081,401

OCCUPATIONAL EDUCATION

6,676,399 6,491,620 6,444,105 5,550 41,965

INSTRUCTIONAL MEDIA

School library and audiovisual	1,192,126	1,219,237	1,210,027	-	9,210
Computer assisted instruction	759,903	769,996	740,254	800	28,942

Total Instructional Media

1,952,029 1,989,233 1,950,281 800 38,152

PUPIL SERVICES

Attendance - Regular school	937,703	948,488	806,098	-	142,390
Guidance - Regular school	5,061,712	5,131,400	5,024,419	1,755	105,226
Health services - Regular school	5,608,099	5,364,474	5,240,673	3,281	120,520
Psychological services - Regular school	3,554,106	3,712,589	3,592,931	2,922	116,736
Social work services - Regular school	1,637,954	1,564,728	1,516,495	-	48,233
Interscholastic athletics - Regular school	3,758,093	4,358,093	3,799,438	23,178	535,477

Total Pupil Services

20,557,667 21,079,772 19,980,054 31,136 1,068,582

Total Instruction

336,334,614 337,598,612 331,762,460 52,141 5,784,011

(Continued)

Yonkers City School District, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
PUPIL TRANSPORTATION					
District transportation services	\$ 4,780,438	\$ 4,979,682	\$ 4,938,358	\$ -	\$ 41,324
Contract transportation	31,360,393	31,972,147	31,499,393	-	472,754
Public transportation	1,000,000	1,000,000	820,078	-	179,922
BOCES transportation	21,630	57,785	57,725	-	60
Total Pupil Transportation	37,162,461	38,009,614	37,315,554	-	694,060
EMPLOYEE BENEFITS					
State retirement	11,225,607	11,225,607	11,073,076	-	152,531
Teachers' retirement	27,632,056	27,632,056	26,684,986	-	947,070
Social security	22,263,257	22,263,257	21,784,922	-	478,335
Hospital, medical and dental benefits	95,242,878	92,382,072	91,322,606	-	1,059,466
Life insurance	64,591	94,091	89,439	-	4,652
Unemployment benefits	50,000	65,451	65,230	-	221
Union welfare benefits	4,224,372	4,224,372	4,046,720	-	177,652
Total Employee Benefits	160,702,761	157,886,906	155,066,979	-	2,819,927
DEBT SERVICE					
Notes payable					
Principal	1,320,595	1,320,595	1,320,595	-	-
Interest	277,858	277,858	277,858	-	-
Total Debt Service	1,598,453	1,598,453	1,598,453	-	-
TOTAL EXPENDITURES	577,076,182	577,076,182	566,640,058	289,307	10,146,817

OTHER FINANCING USES

Transfers out

Special Aid Fund	1,495,200	1,495,200	1,493,323	-	1,877
School Lunch Fund	350,000	350,000	-	-	350,000
Debt Service Fund	-	964,300	964,300	-	-

TOTAL OTHER FINANCING USES

	<u>1,845,200</u>	<u>2,809,500</u>	<u>2,457,623</u>	<u>-</u>	<u>351,877</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 578,921,382</u>	<u>\$ 579,885,682</u>	<u>\$ 569,097,681</u>	<u>\$ 289,307</u>	<u>\$ 10,498,694</u>
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See independent auditors' report.

Yonkers City School District, New York

Special Aid Fund
 Comparative Balance Sheet
 June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Receivables		
State and Federal aid	\$ 14,255,572	\$ 15,447,793
Due from other funds	684,142	684,142
	<u> </u>	<u> </u>
Total Assets	<u>\$ 14,939,714</u>	<u>\$ 16,131,935</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 3,038,451	\$ 3,164,083
Accrued liabilities	1,293,641	1,259,881
Due to other governments	883,639	755,002
Due to City of Yonkers	8,916,125	10,145,110
Due to other funds	807,858	807,859
Advances from other funds	2,517,307	-
	<u> </u>	<u> </u>
Total Liabilities	17,457,021	16,131,935
Fund balance (deficit)		
Unassigned	<u>(2,517,307)</u>	<u>-</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 14,939,714</u>	<u>\$ 16,131,935</u>

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See independent auditors' report.

Yonkers City School District, New York

Special Aid Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance-Budget and Actual
 Years Ended June 30,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 26,655,608	\$ 26,910,608	\$ 21,153,197	\$ (5,757,411)
Federal aid	34,190,295	36,770,989	31,009,138	(5,761,851)
Miscellaneous	420,106	420,106	317,755	(102,351)
Total Revenues	61,266,009	64,101,703	52,480,090	(11,621,613)
EXPENDITURES				
Current				
General support	440,902	463,613	384,798	78,815
Instruction	59,220,926	62,112,852	53,218,538	8,894,314
Pupil transportation	1,273,896	1,169,696	1,168,037	1,659
Community services	410,017	432,972	375,129	57,843
Employee benefits	1,415,468	1,417,770	1,344,218	73,552
Total Expenditures	62,761,209	65,596,903	56,490,720	9,106,183
Deficiency of Revenues Over Expenditures	(1,495,200)	(1,495,200)	(4,010,630)	(2,515,430)
OTHER FINANCING SOURCES				
Transfers in	1,495,200	1,495,200	1,493,323	(1,877)
Net Change in Fund Balance	-	-	(2,517,307)	(2,517,307)
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,517,307)</u>	<u>\$ (2,517,307)</u>

2018

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 26,298,407	\$ 26,136,618	\$ 21,480,017	\$ (4,656,601)
33,026,956	35,435,060	31,570,599	(3,864,461)
343,335	155,555	155,554	(1)
<u>59,668,698</u>	<u>61,727,233</u>	<u>53,206,170</u>	<u>(8,521,063)</u>
437,024	436,516	374,565	61,951
57,650,092	60,001,240	51,698,303	8,302,937
1,512,220	1,220,142	1,184,814	35,328
529,049	529,022	340,235	188,787
1,035,513	1,035,513	993,742	41,771
<u>61,163,898</u>	<u>63,222,433</u>	<u>54,591,659</u>	<u>8,630,774</u>
(1,495,200)	(1,495,200)	(1,385,489)	109,711
<u>1,495,200</u>	<u>1,495,200</u>	<u>1,385,489</u>	<u>(109,711)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Yonkers City School District, New York

Capital Projects Fund
 Comparative Balance Sheet
 June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Receivables		
Accounts	\$ 1,979,480	\$ 251,319
Due from City of Yonkers	43,223,620	31,344,480
Due from other funds	<u>42,963</u>	<u>42,963</u>
Total Assets	<u>\$ 45,246,063</u>	<u>\$ 31,638,762</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,733,903	\$ 1,121,765
Accrued liabilities	171,992	386,191
Bond anticipation notes payable	27,320,000	-
Due to other funds	<u>1,451,108</u>	<u>1,351,085</u>
Total Liabilities	30,677,003	2,859,041
Fund balance		
Restricted	<u>14,569,060</u>	<u>28,779,721</u>
Total Liabilities and Fund Balance	<u>\$ 45,246,063</u>	<u>\$ 31,638,762</u>

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Yonkers City School District, New YorkCapital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,

	<u>2019</u>	<u>2018</u>
REVENUES		
State aid	\$ 13,746,525	\$ 3,675,661
EXPENDITURES		
Capital outlay	<u>28,354,352</u>	<u>18,841,096</u>
Deficiency of Revenues Over Expenditures	<u>(14,607,827)</u>	<u>(15,165,435)</u>
OTHER FINANCING SOURCES		
Insurance recoveries	397,166	716,257
Bonds issued	-	20,405,000
Issuance premium	-	<u>1,762,363</u>
Total Other Financing Sources	<u>397,166</u>	<u>22,883,620</u>
Net Change in Fund Balance	(14,210,661)	7,718,185
FUND BALANCE		
Beginning of Year	<u>28,779,721</u>	<u>21,061,536</u>
End of Year	<u>\$ 14,569,060</u>	<u>\$ 28,779,721</u>

See independent auditors' report.

Yonkers City School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception Of Project Through June 30, 2019

PROJECT	Authorization		Expenditures and Transfers to Date		
	Original	Revised	Prior Years	Current Year	Total
Bond Sale - December 2011	\$ 10,000,000	\$ 10,000,000	\$ 9,828,812	\$ 51,187	\$ 9,879,999
Bond Sale - December 2012	27,846,460	27,846,460	26,979,351	255,014	27,234,365
Bond Anticipation Note - August 2013	5,205,900	5,205,900	5,202,266	3,434	5,205,700
Bond Sale - October 2014	21,729,385	21,778,902	21,548,702	71,664	21,620,366
Bond Sale - September 2015	19,883,325	19,883,325	18,670,732	494,771	19,165,503
Bond Sale - December 2016	16,369,985	16,369,985	9,789,616	3,458,861	13,248,477
Saunders Insurance Recovery	598,362	1,155,423	737,182	358,800	1,095,982
Bond Anticipation Note - April 2017	2,700,000	2,700,000	1,870,350	642,642	2,512,992
Bond Sale October 2017	19,467,362	19,467,362	1,263,535	7,658,574	8,922,109
Cash Capital - Travelers	581,128	660,076	-	575,641	575,641
Smart School Bond Act - Non-CIP	3,838,075	3,838,075	3,675,661	42,004	3,717,665
DASNY "SAM" Grant	21,000,000	21,000,000	-	13,704,521	13,704,521
Bond Anticipation Note - August 2018	2,700,000	27,000,000	-	1,037,239	1,037,239
Bond Anticipation Note - May 2019	24,620,000	24,620,000	-	-	-
Total	\$ 176,539,982	\$ 201,525,508	\$ 99,566,207	\$ 28,354,352	\$ 127,920,559

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Unexpended Balance	Methods of Financing				Fund Balance at June 30, 2019	Bond Anticipation Notes Outstanding at June 30, 2019
	Proceeds of Obligations	State Aid	Other	Total		
\$ 120,001	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 120,001	\$ -
612,095	27,846,460	-	-	27,846,460	612,095	-
200	5,205,900	-	-	5,205,900	200	-
158,536	21,778,902	-	-	21,778,902	158,536	-
717,822	19,883,325	-	-	19,883,325	717,822	-
3,121,508	16,369,985	-	-	16,369,985	3,121,508	-
59,441	-	-	1,155,423	1,155,423	59,441	-
187,008	2,700,000	-	-	2,700,000	187,008	-
10,545,253	19,467,362	-	-	19,467,362	10,545,253	-
84,435	-	-	660,076	660,076	84,435	-
120,410	-	3,717,665	-	3,717,665	-	-
7,295,479	-	13,704,521	-	13,704,521	-	-
25,962,761	-	-	-	-	(1,037,239)	2,700,000
24,620,000	-	-	-	-	-	24,620,000
<u>\$ 73,604,949</u>	<u>\$ 123,251,934</u>	<u>\$ 17,422,186</u>	<u>\$ 1,815,499</u>	<u>\$ 142,489,619</u>	<u>\$ 14,569,060</u>	<u>\$ 27,320,000</u>

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Yonkers City School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2019
 (With Comparative Totals for 2018)

	<u>School Lunch</u>	<u>Special Purpose</u>	<u>Debt Service</u>
ASSETS			
Receivables			
Accounts	\$ 47,438	\$ 773	\$ -
State and Federal aid	2,092,898	-	-
Due from City of Yonkers	1,140,094	883,877	-
Due from other funds	-	-	42,528,460
	<u>3,280,430</u>	<u>884,650</u>	<u>42,528,460</u>
Inventories	<u>228,564</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,508,994</u>	<u>\$ 884,650</u>	<u>\$ 42,528,460</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,596,723	\$ 20,450	\$ -
Accrued liabilities	319,458	-	-
Due to City of Yonkers	5,980	-	41,863,971
Due to other funds	481,791	617,719	401,525
Total Liabilities	<u>2,403,952</u>	<u>638,169</u>	<u>42,265,496</u>
Fund balances			
Nonspendable	228,564	-	-
Restricted	-	246,481	262,964
Assigned	876,478	-	-
Total Fund Balances	<u>1,105,042</u>	<u>246,481</u>	<u>262,964</u>
Total Liabilities and Fund Balances	<u>\$ 3,508,994</u>	<u>\$ 884,650</u>	<u>\$ 42,528,460</u>

See independent auditors' report.

Total Non-Major
Governmental Funds

2019	2018
\$ 48,211	\$ 65,974
2,092,898	1,464,666
2,023,971	2,326,877
<u>42,528,460</u>	<u>41,563,212</u>
46,693,540	45,420,729
<u>228,564</u>	<u>293,391</u>
<u>\$ 46,922,104</u>	<u>\$ 45,714,120</u>

\$ 1,617,173	\$ 1,495,874
319,458	188,283
41,869,951	41,191,093
<u>1,501,035</u>	<u>1,301,035</u>
<u>45,307,617</u>	<u>44,176,285</u>
228,564	293,391
509,445	468,479
<u>876,478</u>	<u>775,965</u>
<u>1,614,487</u>	<u>1,537,835</u>
<u>\$ 46,922,104</u>	<u>\$ 45,714,120</u>

Yonkers City School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2019
(With Comparative Totals for 2018)

	School Lunch	Special Purpose	Debt Service
REVENUES			
Use of money and property	\$ -	\$ 874	\$ 96,603
State aid	221,147	-	-
Federal aid	10,352,904	-	-
Food sales	415,046	-	-
Miscellaneous	-	33,049	-
	<u>10,989,097</u>	<u>33,923</u>	<u>96,603</u>
Total Revenues			
EXPENDITURES			
Current			
Employee benefits	2,909,210	-	-
Cost of food sales	8,044,201	-	-
Other	-	85,327	-
Debt service			
Principal	-	-	24,568,504
Interest	-	-	6,834,245
Refunding bond issuance costs	-	-	-
	<u>10,953,411</u>	<u>85,327</u>	<u>31,402,749</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>35,686</u>	<u>(51,404)</u>	<u>(31,306,146)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Issuance premium	-	-	-
Contribution from City of Yonkers	-	-	30,434,216
Transfers in	-	-	964,300
	<u>-</u>	<u>-</u>	<u>31,398,516</u>
Total Other Financing Sources			
Net Change in Fund Balances	35,686	(51,404)	92,370
FUND BALANCES			
Beginning of Year	<u>1,069,356</u>	<u>297,885</u>	<u>170,594</u>
End of Year	<u>\$ 1,105,042</u>	<u>\$ 246,481</u>	<u>\$ 262,964</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2019	2018
\$ 97,477	\$ 145,735
221,147	183,099
10,352,904	7,759,169
415,046	1,397,834
33,049	157,974
<u>11,119,623</u>	<u>9,643,811</u>
2,909,210	2,934,053
8,044,201	7,795,242
85,327	21,950
24,568,504	25,832,354
6,834,245	5,994,550
-	292,896
<u>42,441,487</u>	<u>42,871,045</u>
<u>(31,321,864)</u>	<u>(33,227,234)</u>
-	39,387,000
-	(44,812,950)
-	5,718,846
30,434,216	14,708,930
964,300	17,396,262
<u>31,398,516</u>	<u>32,398,088</u>
76,652	(829,146)
<u>1,537,835</u>	<u>2,366,981</u>
<u>\$ 1,614,487</u>	<u>\$ 1,537,835</u>

Yonkers City School District, New York

School Lunch Fund
 Comparative Balance Sheet
 June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Receivables		
Accounts	\$ 47,438	\$ 65,822
State and Federal aid	2,092,898	1,464,666
Due from City of Yonkers	<u>1,140,094</u>	<u>1,381,875</u>
	3,280,430	2,912,363
Inventories	<u>228,564</u>	<u>293,391</u>
Total Assets	<u>\$ 3,508,994</u>	<u>\$ 3,205,754</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,596,723	\$ 1,470,924
Accrued liabilities	319,458	183,683
Due to City of Yonkers	5,980	-
Due to other funds	<u>481,791</u>	<u>481,791</u>
Total Liabilities	<u>2,403,952</u>	<u>2,136,398</u>
Fund balance		
Nonspendable	228,564	293,391
Assigned	<u>876,478</u>	<u>775,965</u>
Total Fund Balance	<u>1,105,042</u>	<u>1,069,356</u>
Total Liabilities and Fund Balance	<u>\$ 3,508,994</u>	<u>\$ 3,205,754</u>

See independent auditors' report.

Yonkers City School District, New York

School Lunch Fund
 Comparative Schedule of Revenues, Expenditures
 and Changes in Fund Balance - Budget and Actual
 Years Ended June 30,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 191,552	\$ 191,552	\$ 221,147	\$ 29,595
Federal aid	8,319,004	8,319,004	10,352,904	2,033,900
Food sales	1,348,706	1,348,706	415,046	(933,660)
Miscellaneous	-	-	-	-
Total Revenues	<u>9,859,262</u>	<u>9,859,262</u>	<u>10,989,097</u>	<u>1,129,835</u>
EXPENDITURES				
Current				
Employee benefits	3,104,152	2,984,152	2,909,210	74,942
Cost of food sales	8,192,128	8,312,128	8,044,201	267,927
Total Expenditures	<u>11,296,280</u>	<u>11,296,280</u>	<u>10,953,411</u>	<u>342,869</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,437,018)</u>	<u>(1,437,018)</u>	<u>35,686</u>	<u>1,472,704</u>
OTHER FINANCING SOURCES				
Transfers in	350,000	350,000	-	(350,000)
Net Change in Fund Balance	<u>(1,087,018)</u>	<u>(1,087,018)</u>	<u>35,686</u>	<u>1,122,704</u>
FUND BALANCE				
Beginning of Year	<u>1,087,018</u>	<u>1,087,018</u>	<u>1,069,356</u>	<u>(17,662)</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,105,042</u>	<u>\$ 1,105,042</u>

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 207,480	\$ 207,480	\$ 183,099	\$ (24,381)
8,150,346	8,150,346	7,759,169	(391,177)
1,684,574	1,684,574	1,397,834	(286,740)
-	-	48,768	48,768
<u>10,042,400</u>	<u>10,042,400</u>	<u>9,388,870</u>	<u>(653,530)</u>
2,954,270	2,954,270	2,934,053	20,217
7,911,918	7,911,918	7,795,242	116,676
<u>10,866,188</u>	<u>10,866,188</u>	<u>10,729,295</u>	<u>136,893</u>
<u>(823,788)</u>	<u>(823,788)</u>	<u>(1,340,425)</u>	<u>(516,637)</u>
350,000	350,000	632,156	282,156
(473,788)	(473,788)	(708,269)	(234,481)
<u>473,788</u>	<u>473,788</u>	<u>1,777,625</u>	<u>1,303,837</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,069,356</u>	<u>\$ 1,069,356</u>

Yonkers City School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Receivables		
Accounts	\$ 773	\$ 152
Due from City of Yonkers	<u>883,877</u>	<u>945,002</u>
Total Assets	<u>\$ 884,650</u>	<u>\$ 945,154</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 20,450	\$ 24,950
Accrued liabilities	-	4,600
Due to other funds	<u>617,719</u>	<u>617,719</u>
Total Liabilities	638,169	647,269
Fund balance		
Restricted	<u>246,481</u>	<u>297,885</u>
Total Liabilities and Fund Balance	<u>\$ 884,650</u>	<u>\$ 945,154</u>

See independent auditors' report.

Yonkers City School District, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,

	<u>2019</u>	<u>2018</u>
REVENUES		
Use of money and property	\$ 874	\$ 193
Miscellaneous	<u>33,049</u>	<u>109,206</u>
Total Revenues	33,923	109,399
EXPENDITURES		
Current		
Other	<u>85,327</u>	<u>21,950</u>
Excess (Deficiency) of Revenues Over Expenditures	(51,404)	87,449
FUND BALANCE		
Beginning of Year	<u>297,885</u>	<u>210,436</u>
End of Year	<u><u>\$ 246,481</u></u>	<u><u>\$ 297,885</u></u>

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See independent auditors' report.

Yonkers City School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2019</u>	<u>2018</u>
ASSETS		
Due from other funds	<u>\$ 42,528,460</u>	<u>\$ 41,563,212</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to City of Yonkers	\$ 41,863,971	\$ 41,191,093
Due to other funds	<u>401,525</u>	<u>201,525</u>
Total Liabilities	42,265,496	41,392,618
Fund balance		
Restricted	<u>262,964</u>	<u>170,594</u>
Total Liabilities and Fund Balance	<u>\$ 42,528,460</u>	<u>\$ 41,563,212</u>

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See independent auditors' report.

Yonkers City School District, New York

Debt Service Fund
 Comparative Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Years Ended June 30,

	2019			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 96,603	\$ 96,603
EXPENDITURES				
Debt service				
Principal				
Bonds	24,368,504	24,368,504	24,368,504	-
State loan	200,000	200,000	200,000	-
	24,568,504	24,568,504	24,568,504	-
Interest				
Bonds	6,834,245	6,834,245	6,834,245	-
Refunding bond issuance costs	-	-	-	-
Total Expenditures	31,402,749	31,402,749	31,402,749	-
Deficiency of Revenues Over Expenditures	(31,402,749)	(31,402,749)	(31,306,146)	96,603
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	-	-	-	-
Contribution from City of Yonkers	30,434,216	30,434,216	30,434,216	-
Transfers in	-	964,300	964,300	-
Total Other Financing Sources	30,434,216	31,398,516	31,398,516	-
Net Change in Fund Balance	(968,533)	(4,233)	92,370	96,603
FUND BALANCE				
Beginning of Year	968,533	4,233	170,594	166,361
End of Year	\$ -	\$ -	\$ 262,964	\$ 262,964

See independent auditors' report.

2018			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ 145,542	\$ 145,542
25,632,354	25,632,354	25,632,354	-
200,000	200,000	200,000	-
25,832,354	25,832,354	25,832,354	-
5,994,550	5,994,550	5,994,550	-
-	292,896	292,896	-
31,826,904	32,119,800	32,119,800	-
(31,826,904)	(32,119,800)	(31,974,258)	145,542
-	39,387,000	39,387,000	-
-	(44,812,950)	(44,812,950)	-
-	5,718,846	5,718,846	-
14,708,930	14,708,930	14,708,930	-
16,743,287	16,743,287	16,764,106	20,819
31,452,217	31,745,113	31,765,932	20,819
(374,687)	(374,687)	(208,326)	166,361
374,687	374,687	378,920	4,233
\$ -	\$ -	\$ 170,594	\$ 170,594

Yonkers City School District, New York

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2019

Adopted Budget	\$ 578,838,508
Additions	
Encumbrances	<u>82,874</u>
Original Budget	578,921,382
Amendments	<u>964,300</u>
Final Budget	<u><u>\$ 579,885,682</u></u>

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Yonkers City School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2019

Capital Assets, net		\$ 297,716,188
Less		
Bonds payable	(124,648,654)	
Notes payable	(8,153,202)	
Bond anticipation note payable	(27,320,000)	
Unamortized portion of premium on bonds	<u>(7,693,278)</u>	(167,815,134)
Plus		
Unexpended bond proceeds	41,745,184	
Unamortized portion of loss on refunding bonds	<u>1,658,232</u>	<u>43,403,416</u>
Net Investment in Capital Assets		<u>\$ 173,304,470</u>

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See independent auditors' report.

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Board of Education of the
Yonkers City School District, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Yonkers City School District, New York ("School District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated **November __, 2019**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP
Harrison, New York
November __, 2019

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**Report on Compliance For Each Major Federal Program and Report
on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditors' Report

**The Board of Education of the
Yonkers City School District, New York**

Report on Compliance for Each Major Federal Program

We have audited the Yonkers City School District, New York's ("School District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2019. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Harrison, New York

November __, 2019

Yonkers City School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Provided to Sub- recipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Indirect Programs - Passed through New York State Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553	N/A	\$ -	\$ 1,840,347
National School Lunch Program - Commodities	10.555	N/A	-	542,295
National School Lunch Program - Cash	10.555	N/A	-	7,782,268
Summer Food Service Program for Children	10.559	N/A	-	187,995
Subtotal Child Nutrition Cluster			-	10,352,905
Fresh fruit and Vegetable Program	10.582	N/A	-	88,800
Total U.S. Department of Agriculture			-	10,441,705
<u>U.S. Department of Education</u>				
Direct Program				
Impact Aid	84.041	N/A	-	30,692
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster - IDEA</i>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-19-1107	-	6,679,664
Special Education - Grants to States (IDEA, Part B)	84.027	C012183	-	449,374
Special Education - Preschool Grants (IDEA, Preschool)	84.173	0033-19-1107	-	209,936
Subtotal Special Education Cluster			-	7,338,974
Adult Education - Basic Grants to States	84.002	2338-18-2025	-	380,343
Title I Grants to Local Educational Agencies	84.010	0011-18-2008	-	441,094
Title I Grants to Local Educational Agencies	84.010	0011-19-2008	-	20,057
Title I Grants to Local Educational Agencies	84.010	0011-18-7150	-	64,835
Title I Grants to Local Educational Agencies	84.010	0021-18-3820	-	565,964
Title I Grants to Local Educational Agencies	84.010	0021-19-3820	-	9,417,017
			-	10,508,967
Career and Technical Education - Basic Grants to States	84.048	8000-19-9037	-	293,549
Career and Technical Education - Basic Grants to States	84.048	8000-19-0001	-	228,605
			-	522,154

(Continued)

Yonkers City School District, New York

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number (1)</u>	<u>Pass- Through Entity Identifying Number</u>	<u>Provided to Sub- recipients</u>	<u>Total Federal Expenditures</u>
English Language Acquisition State Grants	84.365	0149-18-3820	\$ -	\$ 41,528
English Language Acquisition State Grants	84.365	0149-19-3820	-	139,108
English Language Acquisition State Grants	84.365	0154-18-3820	-	175,332
English Language Acquisition State Grants	84.365	0293-18-3820	-	157,959
English Language Acquisition State Grants	84.365	0293-19-3820	-	401,733
			-	915,660
Mathematics and Science Partnerships	84.366B	0294-19-0333	-	265,881
Improving Teacher Quality State Grants	84.367	0145-19-1002	-	267,193
Improving Teacher Quality State Grants	84.367	0147-18-3820	-	378,956
Improving Teacher Quality State Grants	84.367	0147-19-3820	-	990,553
			-	1,636,702
School Improvement Grants	84.377	0123-18-4206	-	33,040
School Improvement Grants	84.377	0123-19-4206	-	250,000
School Improvement Grants	84.377	0123-18-4208	-	110,752
School Improvement Grants	84.377	0123-19-7023	-	250,000
School Improvement Grants	84.377	0123-19-7629	-	500,000
			-	1,143,792
Preschool Development Grants	84.419	8120-19-1005	-	7,723,846
Student Support and Academic Enrichment Program	84.424A	0104-19-3820	-	214,440
Student Support and Academic Enrichment Program	84.424A	0196-19-2938	-	246,656
				461,096
Hurricane Education Recovery	84.938C	0080-18-3820	-	446,375
Hurricane Education Recovery	84.938B	0084-19-3820	-	22,923
				469,298
Total U.S. Department of Education			-	31,397,404
Total Expenditures of Federal Awards			\$ -	\$ 41,839,109

(1) Catalog of Federal Domestic Assistance number.

N/A - Information not available.

The accompanying notes are an integral part of this schedule.

Yonkers City School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of the Yonkers City School District, New York ("School District") under programs of the federal government for the year ended June 30, 2019. Federal awards received directly from the Federal agencies as well as federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Pass-through identifying numbers are presented where available.

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None

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Yonkers City School District, New York

Schedule of Findings and Questioned Costs
Year ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes No
 Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes No
 Yes None reported

Type of auditors' report issued on compliance for major federal programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.419

Preschool Development Grants

84.424A

Student Support and Academic Enrichment Program

84.938

Hurricane Education Recovery

Dollar threshold used to distinguish between Type A and Type B programs:
Auditee qualified as low-risk auditee?

\$1,255,173
 Yes No

Yonkers City School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year ended June 30, 2019

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

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