

Yonkers City School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2021

Yonkers City School District, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
District-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of Governmental Funds Balance Sheet to the District- Wide Statement of Net Position	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – General and Special Aid Funds	24
Notes to Financial Statements	26
Required Supplementary Information	
Other Postemployment Benefits	
Schedule of Changes in the School District's Total OPEB Liability and Related Ratios	57
New York State Teachers' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset)	58
Schedule of Contributions	58
New York State and Local Employees' Retirement System	
Schedule of the School District's Proportionate Share of the Net Pension Liability	59
Schedule of Contributions	59
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	60
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	61
Schedule of Revenues and Other Financing Sources Compared to Budget	63
Schedule of Expenditures and Other Financing Uses Compared to Budget	65
Special Aid Fund	
Comparative Balance Sheet	69
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	70
Capital Projects Fund	
Comparative Balance Sheet	72
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	73
Project-Length Schedule	74

Yonkers City School District, New York

Table of Contents (Concluded)

	<u>Page No.</u>
Non-Major Governmental Funds	
Combining Balance Sheet	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	78
School Lunch Fund	
Comparative Balance Sheet	80
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	81
Special Purpose Fund	
Comparative Balance Sheet	83
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	84
Debt Service Fund	
Comparative Balance Sheet	85
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	86
Supplementary Information	
Analysis of Change from Adopted Budget to Final Budget	88
Schedule of Net Investment in Capital Assets	89
Federal Programs	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	90
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	92
Schedule of Expenditures of Federal Awards	94
Notes to Schedule of Expenditures of Federal Awards	96
Schedule of Findings and Questioned Costs	97
Summary Schedule of Prior Audit Findings	99

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, 2021, 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, 2021, 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.

Emphasis of Matter

We draw attention to Note 2C and Note 2E in the notes to financial statements which disclose the effects of the School District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

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, 2021 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, 2021 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, 2021 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 combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2021.

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, 2020 (not presented herein), and have issued our report thereon dated December 3, 2020, 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, 2020 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 2020 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2020 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 combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

PKF O'Connor Davies, LLP

Harrison, New York

December 1, 2021

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Yonkers City School District, New York

Management's Discussion and Analysis (MD&A)
June 30, 2021

INTRODUCTION

The following is a discussion and analysis of the Yonkers City School District's ("School District") financial performance as of and for the fiscal year ended June 30, 2021. This section is a summary of the School District's financial activities based on currently known facts, decisions, and/or conditions. It is also based on both the District-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. To increase the understanding of the School District's financial performance, readers should refer to the basic financial statements and the notes to the basic financial statements which will immediately follow this section.

FINANCIAL HIGHLIGHTS

District-Wide Statement Overview

- The School District's 2020-2021 actual revenue per the District-wide financial statements decreased by \$16.2 million from the prior year of \$675.6 million to \$659.4 million.
- The decrease in Unrestricted State Aid of \$21.1 million is the combination of \$10 million for the governor's pandemic adjustment, \$7 million in Transportation aid due to COVID-19, and \$2 million in Specials Services.
- The decrease in Capital, Grants and Contributions of \$3.6 million is the result of a reduction in funding from Dormitory Authority of the State of New York (DASNY).
- Operating grants, Unrestricted State aid, along with the contribution from the City of Yonkers accounted for \$652.4 million or 99%, of all revenue in 2021. Total expenses for functions/programs in the District-wide financial statements totaled \$797.5 million and \$769.8 million in 2021 and 2020, respectively.
- The combination of the \$21.9 million increase in Instruction and the \$2.5 million increase in General Support are the two major categories for 2020-2021 actual expense increase. The primary sources of the increases are Other Post-Employment Benefits (OPEB), GASB 68 Pension allocations and Fixed Asset Additions.
- At June 30, 2021, the School District reported in its Statement of Net Position a liability of \$42.6 million for its proportionate share of the net pension liability. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.
- At June 30, 2021, liabilities and deferred inflows of resources, per the District-wide financial statements exceeded total assets and deferred outflows of resources by \$1.7 billion. The decrease in net position was primarily caused by the School District's reporting of postemployment benefits other than pensions, which increased liabilities by \$231.2 million.

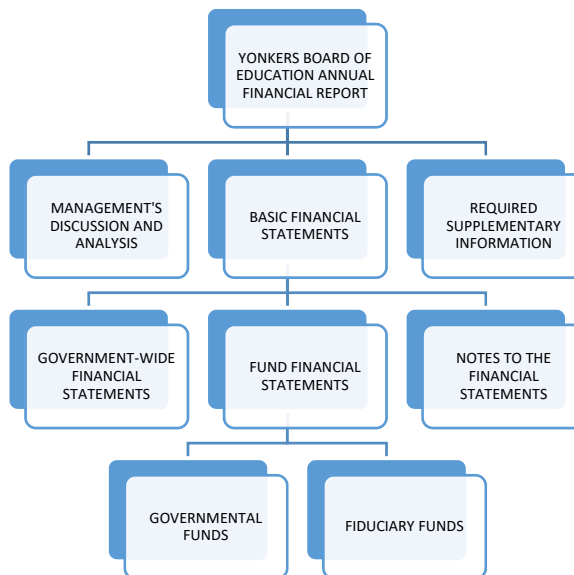
Fund Financial Statement Overview

- The total revenues and other financing sources for all governmental funds was \$708.4 million which was a decrease of \$28.4 million or 3.85% decline from the 2019-2020 year.
- General Fund revenues (including operating transfers in) decreased by \$3.1 million from the prior year of \$586.6 million to \$583.5 million.
- General Fund expenditures (including operating transfers out) increased by \$2.1 million from the prior year of \$568.5 million to \$570.6 million.
- As of the close of the fiscal year, the School District’s governmental funds reported combined fund balances of \$108.5 million at June 30, 2021, an increase of \$22.7 million during 2021.
- The change in Fund Balance for the School District’s General Fund was \$12.9 million. This increase was driven primarily by additional revenue from local and Federal sources along with the reduction in Instructional and General Support expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts:(1) Management’s discussion and analysis - MD&A, (2) the basic financial statements, including notes to the basic financial statements, and (3) required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

Figure A-1



District-wide Financial Statements

The District-wide financial statements provide both short-term and long-term information about the School District’s overall financial status.

Fund Financial Statements

The fund financial statements focus on individual funds of the School District, reporting the School District’s operations in more detail than the District-wide statements. The fund financial statements concentrate on the School District's most significant funds.

- **Governmental Funds**

The governmental funds statements indicate how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.

- **Fiduciary Funds**

Fiduciary funds statements provide information about the financial relationships in which the School District acts solely as a trustee or agent for the benefit of others. As a result of the implementation of GASB Statement No. 84 “*Fiduciary Activities*”, the School District no longer reports any fiduciary funds.

Notes to Basic Financial Statements

The financial statements also include notes that explain some of the information in the financial statements and provide detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District’s budget for the year.

Figure A-2 summarizes the major features of the School District’s financial statements, including the portion of the School District’s activities they cover and the types of information they contain.

Figure A-2 Major Features of the District-wide and Fund Financial Statements			
	District-wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire School district (except fiduciary funds)	The activities of the School District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the School District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance 	<ul style="list-style-type: none"> • Statement of fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of assets/deferred outflows/liability/deferred inflow information	All assets/deferred outflows/liability/deferred inflow, both financial and capital, short-term and long-term	Generally, assets/deferred outflows/deferred inflows expected to be used up and liabilities that come due during the subsequent year or soon thereafter; no	Assets/liability/deferred inflow, both short-term and long-term; funds do not currently contain capital assets, although they can

Figure A-2 Major Features of the District-wide and Fund Financial Statements			
	District-wide	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
		capital assets or long-term liabilities included	
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

The remainder of this overview section of the MD&A highlights the structure and contents of each of the statements.

District-wide Financial Statements

A fundamental question asked by all is “How did we do financially for the school year reported?” To help answer this question, the Statement of Net Position and the Statement of Activities and Changes in Net Position provides information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School District’s assets, deferred outflows, liabilities and deferred inflows. All of the current year’s revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the School District’s *net positions* and how it has changed. Net position - the difference between the School District’s assets, deferred outflows, liabilities and deferred inflows - are one way to measure the School District’s financial health or position.

- Over time, increases or decreases in the School District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- For assessment of the overall health of the School District, additional nonfinancial factors, such as changes in the property tax bases and the condition of buildings and other facilities, should be considered.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (dollars) are expended to purchase or build such assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are considered expenditures when paid. Depreciation is not calculated.

District-wide statements use an economic resources measurement focus and full accrual basis of accounting that involves the following steps to prepare the statement of net position:

- Capitalize current outlays for capital assets.
- Report long-term debt as a liability.
- Depreciate capital assets and allocate the depreciation to the proper function.
- Calculate revenue and expenditures using the economic resources measurement focus and the full accrual basis of accounting.
- Allocate net position balances as follows:
 - Net investment in capital assets
 - Restricted net positions are those with constraints placed on use by external sources or imposed by law.
 - Unrestricted net positions are categories that do not meet any of the above restrictions.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds - not the School District as a whole. Funds are accounting devices the School District uses to keep track of specific sources of funding and spending on particular programs. The funds have been established by the State of New York.

The School District has two types of funds:

- **Governmental Funds:** Most of the School District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them. The governmental fund statements focus primarily on current financial resources and often have a budgetary orientation. Governmental funds include the General Fund, Special Aid Fund, School Lunch Fund, Special Purpose, Debt Service, and the Capital Projects Fund. Required financial statements are the balance sheet and the statement of revenue, expenditures, and changes in fund balance.
- **Fiduciary Funds:** Keep the School District as the trustee, or fiduciary, for assets that belong to others. The School District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The School District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations. Fiduciary fund reporting focuses on net position and changes in net position. The School District no longer reports any fiduciary funds.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

As stated previously, the net position may serve as a useful indicator of a government's financial position. The Board's net position was a negative (\$1.699) billion at the close of the most recent fiscal year, compared to negative (\$1.562) billion in the prior year, for a decrease of \$137.6 million in the current year.

Our analysis below focuses on the net position (Table I) and change in net position (Table II) of the School District's government wide activities.

Table I – Statement Net Position

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Amount Change</u>	<u>Percent Change</u>
Current and Other Assets	\$ 292,394,687	\$ 276,159,305	\$ 16,235,382	5.88%
Capital Assets	<u>337,265,436</u>	<u>319,308,633</u>	<u>17,956,803</u>	<u>5.62%</u>
Total Assets	<u>629,660,123</u>	<u>595,467,938</u>	<u>34,192,185</u>	<u>5.74%</u>
Deferred Outflows of Resources	<u>510,126,151</u>	<u>380,739,169</u>	<u>129,386,982</u>	<u>33.98%</u>
Current Liabilities	184,645,475	147,092,121	37,553,354	25.53%
Long-term Liabilities	<u>2,565,570,383</u>	<u>2,334,444,789</u>	<u>231,125,594</u>	<u>9.90%</u>
Total Liabilities	<u>2,750,215,858</u>	<u>2,481,536,910</u>	<u>268,678,948</u>	<u>10.83%</u>
Deferred Inflows of Resources	<u>89,333,407</u>	<u>56,792,154</u>	<u>32,541,253</u>	<u>57.30%</u>
Net Position:				
Net Investment in Capital Assets	177,924,424	179,096,522	(1,172,098)	(0.65%)
Restricted	1,353,377	1,410,958	(57,581)	(4.08%)
Unrestricted	<u>(1,879,040,792)</u>	<u>(1,742,629,437)</u>	<u>(136,411,355)</u>	<u>7.83%</u>
Total Net Position	<u>\$ (1,699,762,991)</u>	<u>\$ (1,562,121,957)</u>	<u>\$ (137,641,034)</u>	<u>8.81%</u>

In Table I, total assets increased by \$34.2 million, or 5.7%. As a requirement 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", the School District reported a net pension asset, liability and deferred inflows and outflows as calculated by the New York State Teachers' and Local Employees Retirement systems in the Statement of Net Position. This asset and the net deferrals are not in custody of, nor are they accessible by the School District; rather these represent the School District's share of the calculated excess/shortfall of the respective retirement systems. Please see Note 3E of the financial statements for more information on these pension items.

Total liabilities increased by \$268.7 million, or 10.8%. As discussed earlier the increase in liabilities was predominantly the result of the School District's accounting and financial reporting for postemployment benefits other than pensions, which required the recording of an additional liability of \$231.2 million.

Table II –Change in Net Position

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Amount Change</u>	<u>Percent Change</u>
Revenue:				
Charges for Service	\$ 24,402	\$ 831,591	\$ (807,189)	(97.07%)
Operating grants and contributions	82,706,507	81,150,477	1,556,030	1.92%
Capital grants and contributions	1,914,022	5,553,764	(3,639,742)	(65.54%)
General Revenue:				
Contribution from City of Yonkers	270,802,576	265,598,611	5,203,965	1.96%
Unrestricted State aid	298,922,690	320,014,942	(21,092,252)	(6.59%)
Miscellaneous	5,066,873	2,469,591	2,597,282	105.17%
Total Revenue	<u>659,437,070</u>	<u>675,618,976</u>	<u>(16,181,906)</u>	<u>(2.40%)</u>
Expenses:				
General Support	95,867,610	93,406,774	2,460,836	2.63%
Instruction	650,623,065	628,662,238	21,960,827	3.49%
Transportation	32,872,598	31,335,937	1,536,661	4.90%
Community Services	400,020	376,206	23,814	6.33%
Cost of Sales - Food	11,333,679	10,889,986	443,693	4.07%
Other	369,045	38,837	330,208	850.24%
Interest on Long-Term Debt	6,024,019	5,083,971	940,048	18.49%
Total Expenses	<u>797,490,036</u>	<u>769,793,949</u>	<u>27,696,087</u>	<u>3.60%</u>
Decrease in Net Position	<u>(138,052,966)</u>	<u>(94,174,973)</u>	<u>(43,877,993)</u>	<u>46.59%</u>
Net Position - Beginning, as reported	(1,562,121,957)	(1,467,946,984)	(94,174,973)	(6.42%)
Cumulative Effect of Change in Accounting Principle	<u>411,932</u>	<u>-</u>	<u>411,932</u>	<u>0.00%</u>
Net Position - Beginning, as restated	<u>(1,561,710,025)</u>	<u>(1,467,946,984)</u>	<u>(93,763,041)</u>	<u>6.39%</u>
Net Position - Ending	<u>\$ (1,699,762,991)</u>	<u>\$ (1,562,121,957)</u>	<u>\$ (137,641,034)</u>	<u>(8.81%)</u>

In Table II, the School District's total revenues were \$659.4 million, a decrease of \$16.2 million or (2.4%). The total cost of all programs and services was \$797.5 million an increase of \$27.7 million or 3.6%.

The major decrease in revenue was the result of the \$21.1 million decrease in Unrestricted State aid and the \$3.6 million decrease in Capital, Grants and Contributions.

The \$21.1 million for Unrestricted State and Federal Aid was comprised primarily of a \$10 million decrease in Basic Formula Aid due to the governor's Pandemic adjustment, \$7 million in Transportation due to COVID-19 and \$2 million in Special Services aid.

The decrease in Capital, Grants and Contributions of \$3.6 million is the result of a reduction in funding from Dormitory Authority of the State of New York (DASNY).

The decrease was offset by the increase in Contribution from the City of Yonkers of \$5.2 million and \$2.6 million increase in Miscellaneous revenue. The \$5.2 million Contribution from City of Yonkers is comprised of \$2 million increase in Debt Service contribution, \$2 million increase in Maintenance of Effort (MOE) and \$1.2 increase in Sales Tax Revenue that is specifically allocated to education.

Miscellaneous Revenue increased \$2 million mainly due to the increase in write off of prior year accruals and increase in tuition rate reimbursement adjustment for prior years.

As stated earlier, the School District total expense increased by \$27.7 million. The combination of the \$21.9 million increase in Instruction and the \$2.5 million increase General Support are the two major categories for 2020-2021 actual expense increase. The primary sources of the increases are Other Post-Employment Benefits (OPEB) and GASB 68 Pension allocations and Fixed Asset Additions.

Table III –Revenue Sources for 2021:

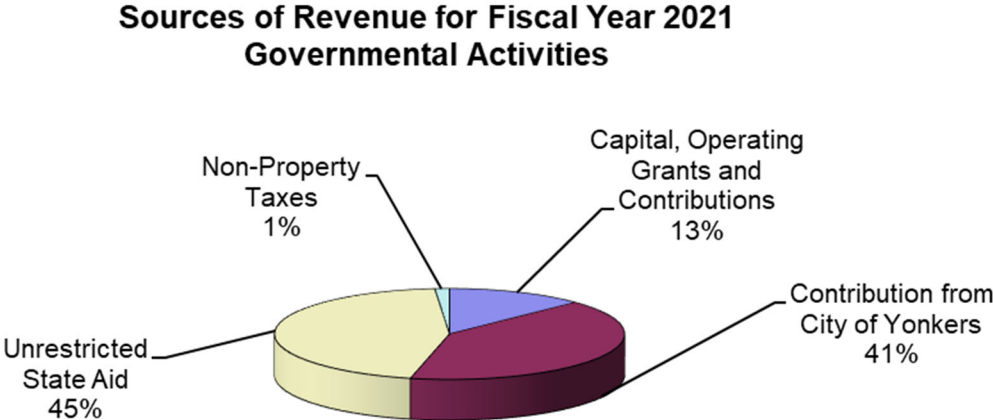
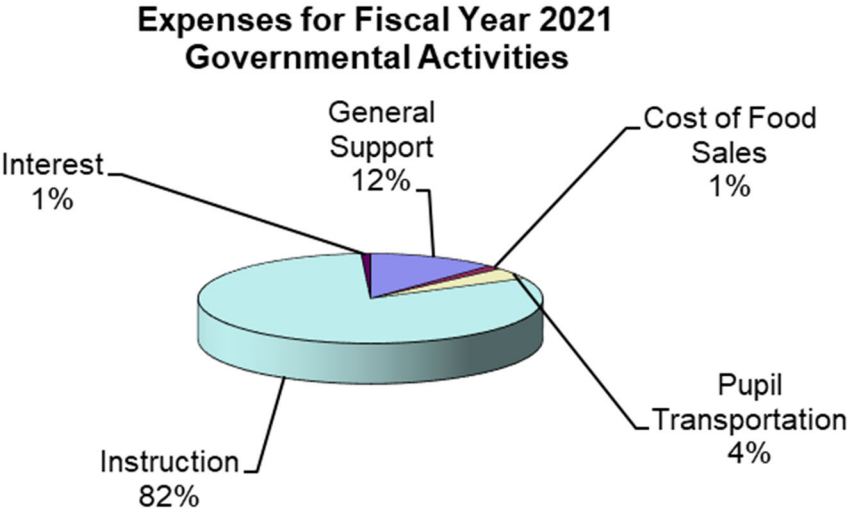


Table IV – Sources of Expenses for 2021:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variations between years for the governmental fund financial statements are not the same as variations between years for the District-wide financial statements. The School District's governmental funds are presented on the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of presentation, governmental funds do not include long-term liabilities for the funds' capital projects and capital assets purchased by the funds. Governmental funds will include proceeds from the issuance of debt, the current payments for capital assets, and the current payments for debt.

General Fund Budgetary Highlights

This section presents an analysis of significant variations between original and final budget amounts and between final budget amounts and actual results for the general fund.

Table V – Results vs. Budget

	Original Budget	Final Budget	Actual	Encumbrance	Variance
Revenue:					
Local and Miscellaneous Sources	\$ 246,914,818	\$ 246,914,818	\$ 251,854,209	\$ -	\$ 4,939,391
State Sources	342,807,186	342,807,186	321,118,121	-	(21,689,065)
Federal Sources	814,900	814,900	10,252,506	-	9,437,606
Interfunds Revenue	446,344	446,344	313,559	-	(132,785)
Total	<u>590,983,248</u>	<u>590,983,248</u>	<u>583,538,395</u>	-	<u>(7,444,853)</u>
Expenditures:					
General Support	42,596,590	44,010,140	40,975,711	517,160	2,517,269
Instruction	361,345,933	364,862,716	347,504,864	120,113	17,237,739
Transportation	40,683,249	38,023,202	29,805,612	-	8,217,590
Employee Benefits	157,193,042	151,722,374	147,852,158	-	3,870,216
Debt Service	1,633,652	1,634,034	1,633,970	-	64
Transfers Out	1,495,200	4,695,200	2,850,907	-	1,844,293
Total Expenditures	<u>604,947,666</u>	<u>604,947,666</u>	<u>570,623,222</u>	<u>637,273</u>	<u>33,687,171</u>
Revenue Over (under) Expenditures	<u>\$ (13,964,418)</u>	<u>\$ (13,964,418)</u>	<u>\$ 12,915,173</u>	<u>\$ (637,273)</u>	<u>\$ 26,242,318</u>

The School District considers budget variations of 10% and \$1 million to be significant. The following variations occurred during 2021:

Revenue

- The General Fund ended 2020-21 with a \$7.4 million operating revenues deficit in contrast to a \$964,704 surplus in the prior year.
- The Local and Miscellaneous Sources surplus of \$4.9 million is comprised mostly of miscellaneous revenue and the cancellation of accrued liabilities for special education, foster and out of district tuition expenses. The cancellations for tuitions and number of foster students was higher than budgeted. The cancellation of accrued liabilities and miscellaneous revenue are difficult to budget with certainty and are subject to fluctuations from year to year.
- The surplus in Federal sources is the result of Federal Cares Act funding increase and the offset by the reduction in Medicaid revenue.
- State Aid decrease was mostly comprised of lower than budgeted reimbursable revenues for State Aid, such as Basic Formula as a result of Federal Cares Act Funding of \$10.4 million that was recorded on State Aid runs as Foundation Aid but subsequently changed to General Fund

Federal Revenue. The \$7 million decline in Transportation Aid due to fiscal year 2019-2020 (COVID-19) expenses and \$2 million decline in Special Service Aid due to decline in enrollment for Career & Technical education were also contributing factors to the decrease.

Expenditures

- General support, which encompasses Board of Education, Central Administration, Finance and Central Services and Special Items had a favorable variance of \$3 million to the revised budget. This was the result of significant savings due to the return of students to school on a limited basis for six months. The decline in expenses relating to Electricity, Overtime and Contractual Lines in the Operation and Maintenance of Plant activity lines is the result of limited occupancy. Significant savings in Central Services – operation of plant which was due to lower than budgeted fuel prices. The budget anticipated pricing of \$2.20 per gallon, however, the actual pricing was \$1.73 per gallon.
- Instruction which is comprised of Instruction Administration and Improvements, Teaching – Regular schools, Programs for Students with Disabilities and Pupil Services showed a total favorable variance of \$6.5 million compared to revised budget. These savings were the result of COVID-19's effect on salary and contractual expenditure which included but not limited to lower extra pay, reduction in substitute teacher cost, lower sick bank expense for teachers, lower professional development cost, staff turnover, vacancies and reduction in Athletics cost.
- The program for students with disabilities showed a \$6.7 million favorable variance which was the result of lower than anticipated special education tuitions for out of district students attending BOCES, private and public schools as a result of the impact of COVID-19 hybrid schedule.
- Pupil Services which is comprised of Attendance, Guidance, Health Services, Psychological/Social work services and Interscholastic Athletic all showed positive variance of over \$2.8 million respectively. These saving are consistent with salary savings due to COVID-19 hybrid schedule, staff turnover, vacancies and district initiatives to reduce contractual expenditures. Interscholastic Athletics had a \$1.1 million positive variance mostly because of Transportation savings as a result of the effects of COVID-19 and CDC halt on athletic activities.
- Transportation favorable variance of \$8.2 million over the revised budget was primarily due to COVID-19 school being remote for four months and hybrid schedule for six months. It should be noted that Yonkers Public School District contracts out its bus services, therefore when transportation of students was suspended due to COVID-19 contractual payment to vendors were also suspended.
- The \$3.9 million favorable variance for Employee retirement consisted of \$243,453 variance in State and Local Retirement System (ERS), \$540,618 in Teachers retirement (TRS), \$886,398 in social security and \$2.3 million in Health Insurance costs. These savings where attributed to but not limited to lower NYSHIP Rates than anticipated, salary savings (staff turnover, vacancies) and increased employee contributions.
- The TRS and ERS savings were due to pensionable wages being less than budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Table VI – Capital Assets

Category:	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Amount Change</u>	<u>Percent</u>
Land	\$ 6,597,219	\$ 6,597,219	\$ -	-
Construction in Progress	108,003,733	86,837,859	21,165,874	24.37%
Building and Improvements	221,642,756	224,492,364	(2,849,608)	(1.27%)
Machinery and Equipment	1,021,728	1,381,191	(359,463)	(26.03%)
Total	<u>\$ 337,265,436</u>	<u>\$ 319,308,633</u>	<u>\$ 17,956,803</u>	<u>5.62%</u>

As of June 30, 2021, the School District had \$337.3 million invested in a broad range of capital assets including land, buildings, vehicles, athletic facilities, computers, and other educational equipment.

The School District continued its major renovation projects at a number of different schools during the school year, expending \$28.6 million in construction costs. The capital expenditures were mostly attributed to \$7.9 million Districtwide HVAC upgrades to adhere to air safety standards to open the schools for in class learning. Other capital projects included reconstruction and restoration of \$1.6 million Yonkers Middle High School, \$3.2 million PS#8, \$2.2 million Lincoln High School, and \$3.5 million PS#17.

The remaining \$10.2 million is attributable to other construction costs for projects such as boiler replacement, building restorations, interior restoration, and restoration of window, doors, and sidewalks for various schools.

Long-Term Debt

Table VII – Long-Term Debt

Category:	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Amount Change</u>	<u>Percent Change</u>
General Obligation Bonds & Premium	\$ 228,149,633	\$ 206,145,262	\$ 22,004,371	10.67%
State Loan Payable	1,800,000	2,000,000	(200,000)	(10.00%)
Note Payable - ESCO	5,336,291	6,774,863	(1,438,572)	(21.23%)
Due to Retirement Systems	9,892,138	11,936,775	(2,044,637)	(17.13%)
Compensated Absences	19,956,069	21,077,308	(1,121,239)	(5.32%)
Net Pension Liability	42,658,954	59,896,273	(17,237,319)	(28.78%)
Other Post Employment Benefits	2,257,777,298	2,026,614,308	231,162,990	11.41%
	<u>\$ 2,565,570,383</u>	<u>\$ 2,334,444,789</u>	<u>\$ 231,125,594</u>	<u>9.90%</u>

As of June 30, 2021, the School District had \$228.1 million in general obligation bonds and \$37 million in other long-term debt outstanding. In addition, the net pension liability of \$42.6 million and other postemployment benefits obligation of \$2.3 billion are shown in the exhibit. Please see Note 3E of the financial statements for more information on the School District's long-term debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

As a dependent school district without the authority to raise taxes or issue debt, the school district is directly impacted by current economic conditions. The School District continues to face structural deficiencies such as increases in the School District's costs, contractual obligations for salary, health insurance premiums, retirement system contributions and other postemployment benefits. The School District receives approximately 42% of its revenue from the City of Yonkers.

The School District continuously monitors developments on the State and Federal level that influence school districts and incorporates those changes in its short and long term financial planning. The State anticipation of fully funding Foundation Aid formula by 2023-24 and the Federal American Rescue plan and Relief Supplemental Appropriations Act funds are expected to provide supplemental support that has to be spent over the next three to four years.

State legislation changes to real property laws could impact the City's ability to increase funding to the School District which will be needed to meet its projected increased costs in future periods.

Maintaining and operating District facilities presents a significant challenge, one made more difficult given the age of the school buildings. In June 2016, the New York State Legislature established the Yonkers City School District Joint School Construction (JSCB) and Modernization Act. The purpose of the legislation is to provide the City of Yonkers and the Yonkers City School District with increased flexibility to meet the needs of their schoolchildren by providing alternative financing mechanisms for financing of new school facilities and the modernization of existing buildings. The state authorized the total cost of 37 projects not to exceed \$523 million. JSCB Phase IA is the modernization of St. Denis to the New Community School 35.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Mr. John A Liszewski
Commissioner of Finance
City of Yonkers
Department of Finance and Management Services
One Larkin Center – Third Floor,
Yonkers, New York 10701-7044.

Yonkers City School District, New York

Statement of Net Position June 30, 2021

ASSETS

Cash and equivalents	\$	337,902
Receivables		
Accounts		4,457,651
State and Federal aid		114,284,079
Due from City of Yonkers		172,978,986
Prepaid expenses		598
Inventories		335,471
Capital assets		
Not being depreciated		114,600,952
Being depreciated, net		222,664,484
Total Assets		<u>629,660,123</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on refunding bonds		2,689,229
Pension related		191,755,029
OPEB related		315,681,893
Total Deferred Outflows of Resources		<u>510,126,151</u>

LIABILITIES

Accounts payable		39,818,513
Accrued liabilities		40,421,869
Unearned revenue		1,190,940
Due to other governments		742,264
Due to retirement systems		29,867,788
Due to City of Yonkers		69,631,960
Overpayments		638,469
Accrued interest payable		2,333,672
Non-current liabilities		
Due within one year		22,736,054
Due in more than one year		2,542,834,329
Total Liabilities		<u>2,750,215,858</u>

DEFERRED INFLOWS OF RESOURCES

Pension related		<u>89,333,407</u>
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NET POSITION

Net investment in capital assets		177,924,424
Restricted for		
Capital projects		96,111
Debt service		504,827
Special purpose		752,439
Unrestricted		<u>(1,879,040,792)</u>
Total Net Position	\$	<u><u>(1,699,762,991)</u></u>

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

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Yonkers City School District, New York

Statement of Activities
Year Ended June 30, 2021

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	\$ 95,867,610	\$ 23,989	\$ 313,559	\$ -	\$ (95,530,062)
Instruction	650,623,065	-	74,493,762	1,809,016	(574,320,287)
Pupil transportation	32,872,598	-	94,094	-	(32,778,504)
Community services	400,020	-	400,019	-	(1)
Cost of food sales	11,333,679	413	7,059,467	-	(4,273,799)
Other	369,045	-	345,606	-	(23,439)
Interest	6,024,019	-	-	105,006	(5,919,013)
Total Governmental Activities	\$ 797,490,036	\$ 24,402	\$ 82,706,507	\$ 1,914,022	(712,845,105)
General revenues					
Contribution from City of Yonkers					270,802,576
Sale of property and compensation for loss					20,740
Unrestricted State aid					298,922,690
Miscellaneous					5,046,133
Total General Revenues					574,792,139
Change in Net Position					(138,052,966)
Net Position - Beginning, as reported					(1,562,121,957)
Cumulative Effect of Change in Accounting Principle					411,932
Net Position - Beginning, as restated					(1,561,710,025)
Net Position - Ending					\$ (1,699,762,991)

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, 2021

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ -	\$ -	\$ -
Receivables			
Accounts	2,482,138	-	1,967,342
State and Federal aid	80,756,090	30,626,977	-
Due from City of Yonkers	110,118,364	-	57,140,900
Due from other funds	8,915,059	96,485	42,963
Advances to other funds	732,522	-	-
Prepaid expenditures	598	-	-
Inventories	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 203,004,771</u>	<u>\$ 30,723,462</u>	<u>\$ 59,151,205</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 35,886,648	\$ 1,770,808	\$ 2,009,828
Accrued liabilities	36,540,038	694,220	2,896,133
Unearned revenue	-	1,190,940	-
Due to other governments	742,264	-	-
Due to retirement systems	29,867,788	-	-
Due to City of Yonkers	-	27,026,137	-
Due to other funds	43,497,119	41,357	1,459,386
Advances from other funds	-	732,522	-
Overpayments	638,469	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	147,172,326	31,455,984	6,365,347
Deferred inflows of resources			
Deferred revenues	1,547,827	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Deferred Inflows of Resources	148,720,153	31,455,984	6,365,347
Fund balances (deficits)			
Nonspendable	733,120	-	-
Restricted	-	-	52,785,858
Assigned	9,009,419	-	-
Unassigned	44,542,079	(732,522)	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances (Deficits)	54,284,618	(732,522)	52,785,858
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 203,004,771</u>	<u>\$ 30,723,462</u>	<u>\$ 59,151,205</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 337,902	\$ 337,902
8,171	4,457,651
2,901,012	114,284,079
5,719,722	172,978,986
43,501,448	52,555,955
-	732,522
-	598
335,471	335,471
<u>\$ 52,803,726</u>	<u>\$ 345,683,164</u>

\$ 151,229	\$ 39,818,513
291,478	40,421,869
-	1,190,940
-	742,264
-	29,867,788
42,605,823	69,631,960
7,558,093	52,555,955
-	732,522
-	638,469
50,606,623	235,600,280
-	1,547,827
<u>50,606,623</u>	<u>237,148,107</u>

335,471	1,068,591
1,257,266	54,043,124
604,366	9,613,785
-	43,809,557
<u>2,197,103</u>	<u>108,535,057</u>
<u>\$ 52,803,726</u>	<u>\$ 345,683,164</u>

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Yonkers City School District, New York

Reconciliation of the Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2021

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

Total Fund Balances - Total Governmental Funds	<u>\$ 108,535,057</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets - non-depreciable	114,600,952
Capital assets - depreciable	426,670,930
Accumulated depreciation	<u>(204,006,446)</u>
	<u>337,265,436</u>
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	191,755,029
Deferred outflows - OPEB related	315,681,893
Deferred inflows - pension related	<u>(89,333,407)</u>
	<u>418,103,515</u>
Other long-term assets that are not available to pay for current-period expenditures are reported as unearned or deferred in the funds.	
Deferred revenues	<u>1,547,827</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(2,333,672)
Bonds payable	(205,100,000)
Notes payable	(5,336,291)
State loan payable	(1,800,000)
Retirement incentives and other pension obligations	(9,892,138)
Compensated absences	(19,956,069)
Net pension liability	(42,658,954)
Other post employment benefit liability	<u>(2,257,777,298)</u>
	<u>(2,544,854,422)</u>
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on refunding	2,689,229
Premium on bonds	<u>(23,049,633)</u>
	<u>(20,360,404)</u>
Net Position of Governmental Activities	<u><u>\$ (1,699,762,991)</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
Governmental Funds
Year Ended June 30, 2021

	General	Special Aid	Capital Projects
REVENUES			
Charges for services	\$ 239,109	\$ -	\$ -
Use of money and property	23,989	-	-
Sale of property and compensation for loss	20,740	-	-
Interfund revenues	313,559	-	-
State aid	321,118,121	27,780,607	1,809,016
Federal aid	10,252,506	20,195,892	-
Food sales	-	-	-
Miscellaneous	5,046,846	318,119	-
Total Revenues	<u>337,014,870</u>	<u>48,294,618</u>	<u>1,809,016</u>
EXPENDITURES			
Current			
General support	40,975,711	310,201	-
Instruction	347,504,864	42,175,092	-
Pupil transportation	29,805,612	94,093	-
Community services	-	400,020	-
Employee benefits	147,852,158	3,420,089	-
Cost of food sales	-	-	-
Other	-	-	-
Debt service			
Principal	1,438,572	-	-
Interest	195,398	-	-
Capital outlay	-	-	35,529,551
Total Expenditures	<u>567,772,315</u>	<u>46,399,495</u>	<u>35,529,551</u>
Deficiency of Revenues Over Expenditures	<u>(230,757,445)</u>	<u>1,895,123</u>	<u>(33,720,535)</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	33,175,000
Issuance premium	-	-	6,927,800
Contribution from City of Yonkers	246,523,525	-	-
Transfers in	-	1,495,200	-
Transfers out	(2,850,907)	-	(200)
Total Other Financing Sources	<u>243,672,618</u>	<u>1,495,200</u>	<u>40,102,600</u>
Net Change in Fund Balances	12,915,173	3,390,323	6,382,065
FUND BALANCES (DEFICITS)			
Beginning of Year, as restated	<u>41,369,445</u>	<u>(4,122,845)</u>	<u>46,403,793</u>
End of Year	<u>\$ 54,284,618</u>	<u>\$ (732,522)</u>	<u>\$ 52,785,858</u>

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 239,109
105,193	129,182
-	20,740
-	313,559
182,866	350,890,610
6,876,601	37,324,999
413	413
345,419	5,710,384
<u>7,510,492</u>	<u>394,628,996</u>
-	41,285,912
-	389,679,956
-	29,899,705
-	400,020
2,570,194	153,842,441
5,845,393	5,845,393
369,045	369,045
15,641,000	17,079,572
8,734,654	8,930,052
-	35,529,551
<u>33,160,286</u>	<u>682,861,647</u>
<u>(25,649,794)</u>	<u>(288,232,651)</u>
-	33,175,000
-	6,927,800
24,279,051	270,802,576
1,355,907	2,851,107
-	(2,851,107)
<u>25,634,958</u>	<u>310,905,376</u>
(14,836)	22,672,725
<u>2,211,939</u>	<u>85,862,332</u>
<u>\$ 2,197,103</u>	<u>\$ 108,535,057</u>

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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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 22,672,725</u>
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.	
Capital outlay expenditures	28,680,599
Depreciation expense	<u>(10,723,796)</u>
	<u>17,956,803</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Deferred revenues	<u>(5,680,943)</u>
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.	
Bonds issued	(33,175,000)
Issuance premium	(6,927,800)
Principal paid on bonds	15,441,000
Principal paid on notes	1,438,572
Principal paid on State loan	200,000
Principal paid on retirement incentives and other pension obligations	<u>2,044,637</u>
	<u>(20,978,591)</u>
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.	
Accrued interest	773,002
Compensated absences	1,121,239
Changes in pension liabilities and related deferred outflows and inflows of resources	(27,586,361)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	(128,463,871)
Amortization of premium and loss of refunding bonds	<u>2,133,031</u>
	<u>(152,022,960)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (138,052,966)</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, 2021

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 350,000	\$ 350,000	\$ 239,109	\$ (110,891)
Use of money and property	270,000	270,000	23,989	(246,011)
Sale of property and compensation for loss	1,600	1,600	20,740	19,140
Interfund revenues	446,344	446,344	313,559	(132,785)
State aid	342,807,186	342,807,186	321,118,121	(21,689,065)
Federal aid	814,900	814,900	10,252,506	9,437,606
Miscellaneous	930,000	930,000	5,046,846	4,116,846
Total Revenues	345,620,030	345,620,030	337,014,870	(8,605,160)
EXPENDITURES				
Current				
General support	42,596,590	44,010,140	40,975,711	3,034,429
Instruction	361,345,933	364,862,716	347,504,864	17,357,852
Pupil transportation	40,683,249	38,023,202	29,805,612	8,217,590
Community services	-	-	-	-
Employee benefits	157,193,042	151,722,374	147,852,158	3,870,216
Debt service				
Principal	1,438,572	1,438,572	1,438,572	-
Interest	195,080	195,462	195,398	-
Total Expenditures	603,452,466	600,252,466	567,772,315	32,480,151
Deficiency of Revenues Over Expenditures	(257,832,436)	(254,632,436)	(230,757,445)	23,874,991
OTHER FINANCING SOURCES (USES)				
Contribution from City of Yonkers	245,363,218	245,363,218	246,523,525	1,160,307
Transfers in	-	-	-	-
Transfers out	(1,495,200)	(4,695,200)	(2,850,907)	1,844,293
Total Other Financing Sources	243,868,018	240,668,018	243,672,618	3,004,600
Net Change in Fund Balances	(13,964,418)	(13,964,418)	12,915,173	26,879,591
FUND BALANCES (DEFICITS)				
Beginning of Year	13,964,418	13,964,418	41,369,445	27,405,027
End of Year	\$ -	\$ -	\$ 54,284,618	\$ 54,284,618

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
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
26,416,202	27,928,451	27,780,607	(147,844)
30,326,842	33,336,343	20,195,892	(13,140,451)
1,023,064	1,023,064	318,119	(704,945)
<u>57,766,108</u>	<u>62,287,858</u>	<u>48,294,618</u>	<u>(13,993,240)</u>
249,363	400,107	310,201	89,906
54,729,207	59,100,061	42,175,092	16,924,969
318,500	318,500	94,093	224,407
472,785	472,937	400,020	72,917
3,491,453	3,491,453	3,420,089	71,364
-	-	-	-
-	-	-	-
<u>59,261,308</u>	<u>63,783,058</u>	<u>46,399,495</u>	<u>17,383,563</u>
<u>(1,495,200)</u>	<u>(1,495,200)</u>	<u>1,895,123</u>	<u>3,390,323</u>
-	-	-	-
1,495,200	1,495,200	1,495,200	-
-	-	-	-
<u>1,495,200</u>	<u>1,495,200</u>	<u>1,495,200</u>	<u>-</u>
-	-	3,390,323	3,390,323
-	-	(4,122,845)	(4,122,845)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (732,522)</u>	<u>\$ (732,522)</u>

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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 (“Education Law”). 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 (“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, “*The Financial Reporting Entity*”, as amended by GASB Statement No. 61, “*The Financial Reporting Entity-Omnibus*”. The School District is reported as governmental funds, as appropriate, within the City’s financial statements.

The Superintendent serves 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 financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The School District’s significant accounting policies are described below:

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 as of June 30, 2021 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.

While separate district-wide and fund financial statements are presented, they are interrelated. 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 grantor or contributor stipulations. Among the activities included in the Special Purpose Fund are extraclassroom activity funds.

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 Fund (Not Included in District-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the School District on behalf of others. In accordance with the provisions of GASB Statement No. 84, "*Fiduciary Activities*", the School District had no such activity to report in this fund category.

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*. 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 when they have been earned and 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 and the amounts are expected to be collected within one year of the fiscal year end. 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 liability are recognized later based on specific accounting rules applicable to each, generally 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 Special Purpose 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 GASB Statement No. 72, "*Fair Value Measurement 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, 2021.

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, 2021, 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, 2021, 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.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the district-wide and fund financial statements. Prepaid expenses/expenditures consists of certain costs, which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent years budget and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

<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.

Unearned Revenues – Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the district-wide financial statements, unearned revenues consist of revenue received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$1,190,940 for State, Federal, and local aid received in advance in the Special Aid Fund. Such amounts have been deemed to be measureable but not “available” pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes 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 that time.

In addition to liabilities, the statement of financial position includes 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.

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 \$1,547,827 for State aid and tuition that do not meet the availability criteria in the General Fund. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the district-wide financial statements. These amounts are detailed in the discussion of the School District's pension and other postemployment benefit liabilities in Note 3D.

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 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 expensed 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, 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 – An Amendment of GASB Statement No. 68*".

Other Post-Employment Benefit Liability ("OPEB") - In addition to providing pension benefits, the School District provides health care benefits for certain retired employees and their survivors. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Note 1 - Summary of Significant Accounting Policies (Continued)

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset 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. Restricted net position for the School District includes restricted for capital projects, debt service, and special purposes.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

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 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 December 1, 2021.

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. 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 of New York State for the City of Yonkers ("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 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 since other means control the use of these resources (e.g. grant awards) and sometimes span a period of more than one fiscal year.
- j) The legally adopted budget is controlled at the fund level of expenditures. Transfers between appropriation accounts require approval by the Superintendent. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations requires Board 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.

B. Special Aid Fund Deficit

The deficit in the Special Aid Fund in the amount of \$732,522 resulted from the School District incurring expenditures prior to the formal execution of a grant contract with the Federal Government. The deficit will be eliminated upon the subsequent receipt of Federal aid.

C. Adoption of Accounting Standard

For the year ended June 30, 2021, the School District implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 2 - Stewardship, Compliance and Accountability (Continued)

and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

D. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84.

E. Cumulative Effect of Change in Accounting Principle

The School District implemented the provisions of GASB Statement No.84, "*Fiduciary Activities*", for the year ended June 30, 2021. Certain amounts previously reported in the School District's Fiduciary Fund are now being reported within the Special Purpose Fund and/or the General Fund. As a result, the School District has reported a cumulative effect of change in accounting principle of \$317,232 to the July 1, 2019 fund balance of the Special Purpose Fund (the earliest year presented). The School District also reported on its Statement of Activities a cumulative effect of change in accounting principle of \$411,932 to the July 1, 2020 net position of governmental activities for this same reason.

F. Expenditures in Excess of Budget

The General Fund - Union welfare benefits expenditure category exceeded its authorization in the amount of \$72,922.

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, 2021 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Advances To/From</u>
General	\$ 8,915,059	\$ 43,497,119	\$ 732,522
Special Aid	96,485	41,357	(732,522)
Capital Projects	42,963	1,459,386	-
Non-Major Governmental	43,501,448	7,558,093	-
	<u>\$ 52,555,955</u>	<u>\$ 52,555,955</u>	<u>\$ -</u>

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, 2021

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, 2020	Additions	Deletions	Balance June 30, 2021
Capital Assets, not being depreciated:				
Land	\$ 6,597,219	\$ -	\$ -	\$ 6,597,219
Construction-in-progress	<u>86,837,859</u>	<u>28,642,727</u>	<u>7,476,853</u>	<u>108,003,733</u>
Total Capital Assets, not being depreciated	<u>\$ 93,435,078</u>	<u>\$ 28,642,727</u>	<u>\$ 7,476,853</u>	<u>\$ 114,600,952</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 415,866,348	\$ 7,476,853	\$ -	\$ 423,343,201
Machinery and Equipment	<u>3,454,257</u>	<u>37,872</u>	<u>164,400</u>	<u>3,327,729</u>
Total Capital Assets, being depreciated	<u>419,320,605</u>	<u>7,514,725</u>	<u>164,400</u>	<u>426,670,930</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	191,373,984	10,326,461	-	201,700,445
Machinery and Equipment	<u>2,073,066</u>	<u>397,335</u>	<u>164,400</u>	<u>2,306,001</u>
Total Accumulated Depreciation	<u>193,447,050</u>	<u>10,723,796</u>	<u>164,400</u>	<u>204,006,446</u>
Total Capital Assets, being depreciated, net	<u>\$ 225,873,555</u>	<u>\$ (3,209,071)</u>	<u>\$ -</u>	<u>\$ 222,664,484</u>
Capital Assets, net	<u>\$ 319,308,633</u>	<u>\$ 25,433,656</u>	<u>\$ 7,476,853</u>	<u>\$ 337,265,436</u>

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

General Support	\$ 5,574,970
Instruction	5,120,150
Cost of Food Sales	<u>28,676</u>
Total Depreciation Expense	<u>\$ 10,723,796</u>

C. Accrued Liabilities

Accrued liabilities at June 30, 2021 were as follows:

	Fund				Total
	General	Special Aid	Capital Projects	Non-Major Governmental	
Payroll and Employee Benefits	\$ 27,058,357	\$ 431,739	\$ -	\$ 275,891	\$ 27,765,987
Tuition	6,237,907	262,481	-	-	6,500,388
Other	<u>3,243,774</u>	<u>-</u>	<u>2,896,133</u>	<u>15,587</u>	<u>6,155,494</u>
	<u>\$ 36,540,038</u>	<u>\$ 694,220</u>	<u>\$ 2,896,133</u>	<u>\$ 291,478</u>	<u>\$ 40,421,869</u>

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

D. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2021	Due Within One-Year
Governmental Activities:					
Bonds Payable:					
General Obligation					
Capital Construction	\$ 157,960,000	\$ 33,175,000	\$ 10,355,000	\$ 180,780,000	\$ 11,840,000
Deficit Financing	22,406,000	-	4,086,000	18,320,000	4,240,000
	<u>180,366,000</u>	<u>33,175,000</u>	<u>14,441,000</u>	<u>199,100,000</u>	<u>16,080,000</u>
Direct Placement	7,000,000	-	1,000,000	6,000,000	1,000,000
	<u>187,366,000</u>	<u>33,175,000</u>	<u>15,441,000</u>	<u>205,100,000</u>	<u>17,080,000</u>
Unamortized Premium on Bonds	18,779,262	6,927,800	2,657,429	23,049,633	-
	<u>206,145,262</u>	<u>40,102,800</u>	<u>18,098,429</u>	<u>228,149,633</u>	<u>17,080,000</u>
Notes Payable	6,774,863	-	1,438,572	5,336,291	1,501,399
State Loan Payable	2,000,000	-	200,000	1,800,000	200,000
Other Non-current Liabilities:					
Retirement Incentives and					
Other Pension Obligations	11,936,775	-	2,044,637	9,892,138	2,008,655
Compensated Absences	21,077,308	986,761	2,108,000	19,956,069	1,946,000
Net Pension Liability - ERS	59,896,273	-	59,672,944	223,329	-
Net Pension Liability (Asset) - TRS	(39,494,688)	81,930,313	-	42,435,625	-
Other Post Employment					
Benefit Liability	2,026,614,308	268,357,524	37,194,534	2,257,777,298	-
Total Other Non-current Liabilities	<u>2,080,029,976</u>	<u>351,274,598</u>	<u>101,020,115</u>	<u>2,330,284,459</u>	<u>3,954,655</u>
Governmental Activities					
Total Long-Term Liabilities	<u>\$ 2,294,950,101</u>	<u>\$ 391,377,398</u>	<u>\$ 120,757,116</u>	<u>\$ 2,565,570,383</u>	<u>\$ 22,736,054</u>

The liabilities for notes payable, retirement incentives and other pension obligations, compensated absences, net pension liability and other post employment benefit liability 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.

Yonkers City School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at June 30, 2021 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2021
General Obligation					
District-wide Construction	2011	\$ 12,555,000	October, 2021	5.000 %	\$ 820,000
District-wide Construction	2012	26,590,000	August, 2025	3.000	12,255,000
Refunding	2015	14,430,000	September, 2027	2.5 - 5.000	8,940,000
District-wide Construction	2015	21,355,000	October, 2029	2.75 - 3.000	14,640,000
District-wide Construction	2016	18,370,000	September, 2027	3.141-4.741	12,605,000
District-wide Construction	2016	15,525,000	November, 2036	3.0 - 5.000	13,215,000
District-wide Construction	2017	20,405,000	June, 2038	2.75 - 5.000	18,935,000
Refunding-Deficit Financing	2017	22,132,000	October, 2024	5.000	18,320,000
Refunding	2017	17,255,000	June, 2031	3.0 - 5.000	14,185,000
District-wide Construction	2019	52,775,000	May, 2039	4.0 - 5.000	52,010,000
District-wide Construction	2021	33,175,000	February 2041	2.0 - 5.000	33,175,000
					<u>199,100,000</u>
Direct Placement					
Qualified School Construction Bonds	2011	15,000,000	December, 2026	5.750	<u>6,000,000</u>
					<u>\$ 205,100,000</u>

Interest expenditures of \$8,734,654 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$5,814,378 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, 2021 was \$2,998,202

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, 2021 was \$2,338,089.

Interest expenditures of \$195,398 were recorded in the fund financial statement in the General Fund. Interest expense of \$209,641 was recorded in the district-wide financial statements.

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

Yonkers City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

enumerated in the statutes will reduce the accelerated portion by \$200,000 per year. This loan is interest free. Accordingly, at June 30, 2021, the School District has recorded a liability of \$1,800,000.

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, 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, 2021, including interest payments of \$63,216,752 are as follows:

Year Ending June 30,	General Obligation Bonds		Direct Placement Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 16,080,000	\$ 7,924,821	\$ 1,000,000	\$ 316,250	\$ 1,501,399	150,646
2023	17,585,000	7,241,775	1,000,000	258,750	1,566,931	104,061
2024	18,315,000	6,511,219	1,000,000	201,250	1,492,390	55,225
2025	18,425,000	5,758,800	1,000,000	143,750	775,571	18,023
2026	14,060,000	5,079,788	1,000,000	86,250	-	-
2027-2031	49,975,000	18,120,981	1,000,000	28,750	-	-
2032-2036	37,395,000	9,239,788	-	-	-	-
2037-2041	27,265,000	1,976,625	-	-	-	-
	<u>\$ 199,100,000</u>	<u>\$ 61,853,797</u>	<u>\$ 6,000,000</u>	<u>\$ 1,035,000</u>	<u>\$ 5,336,291</u>	<u>\$ 327,955</u>

Year Ending June 30,	State Loan	Total	
	Principal	Principal	Interest
2022	\$ 200,000	\$ 18,781,399	\$ 8,391,717
2023	200,000	20,351,931	7,604,586
2024	200,000	21,007,390	6,767,694
2025	200,000	20,400,571	5,920,573
2026	200,000	15,260,000	5,166,038
2027-2031	800,000	51,775,000	18,149,731
2032-2036	-	37,395,000	9,239,788
2037-2041	-	27,265,000	1,976,625
	<u>\$ 1,800,000</u>	<u>\$ 212,236,291</u>	<u>\$ 63,216,752</u>

The above bonds, notes payable and State loan and are direct borrowings 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.

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

Yonkers City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

are not included in the School District’s financial statements. At June 30, 2021, \$5,730,000 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 up until June 30, 2019 and excluding the June 30, 2011 year end. The amount required to be amortized under this option during the 2020-21 fiscal year was \$2,450,093, including interest of \$405,456 and was charged to the General Fund. The balance due at June 30, 2021 was \$9,892,138.

	Original Amount Amortized	Current Year Payments	Principal Balance Due	Due Within One Year
2009-2010 ERS	\$ 829,817	\$ 106,811	\$ -	\$ -
2011-2012 ERS	2,236,786	271,104	262,511	262,511
2012-2013 ERS	4,122,338	481,481	924,715	455,522
2013-2014 ERS	5,112,072	537,144	2,407,479	446,623
2014-2015 ERS	5,861,562	606,578	3,232,181	493,451
2015-2016 ERS	2,059,587	209,902	1,297,875	167,798
2016-2017 ERS	1,213,378	119,222	850,118	96,864
2017-2018 ERS	867,826	88,805	681,555	66,245
2018-2019 ERS	272,754	29,046	235,704	19,641
	<u>\$ 22,576,120</u>	<u>\$ 2,450,093</u>	<u>\$ 9,892,138</u>	<u>\$ 2,008,655</u>

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

Note 3 - Detailed Notes on All Funds (Continued)

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 Employees' 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 assets and record changes in fiduciary 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 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 2021 are as follows:

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75E	19.6 %
	1 75I	21.6
	3 A14	16.2
	4 A15	16.2
	5 A15	13.5
	6 A15	9.7
TRS	1-6	9.53 %

At June 30, 2021, the School District reported the following for its proportionate share of the net pension liability for ERS and TRS:

	<u>ERS</u>	<u>TRS</u>
Measurement date	March 31, 2021	June 30, 2020
Net pension liability	\$ 223,329	\$ 42,435,625
School Districts' proportion of the net pension liability	0.2242850 %	1.535703 %
Change in proportion since the prior measurement date	(0.0019044) %	0.015511 %

The net pension liability was measured as of March 31, 2021 for ERS and June 30, 2020 for TRS and the total pension liability used to calculate the net pension liability 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 members. The School District's proportion of the net pension liability 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, 2021, the School District recognized pension expense in the district-wide financial statements of \$62,652,844 (\$5,710,124 for ERS and \$56,942,720 for TRS). Pension expenditures (exclusive of incentive payments) were recorded in the fund financial statements as follows:

<u>Fund</u>	<u>ERS</u>	<u>TRS</u>
General	\$ 8,958,931	\$ 22,273,426
Special Aid	412,775	2,739,948
School Lunch	681,403	-
Total	<u>\$ 10,053,109</u>	<u>\$ 25,013,374</u>

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2021, the School District reported its proportionate share of 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	\$ 2,727,458	\$ -	\$ 37,182,098	\$ 2,174,744
Changes of assumptions	41,063,092	774,462	53,671,189	19,130,975
Net difference between projected and actual earnings on pension plan investments	-	64,153,384	27,714,183	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	2,065,008	856,499	95,108	2,243,343
School District contributions subsequent to the measurement date	2,515,044	-	24,721,849	-
	<u>\$ 48,370,602</u>	<u>\$ 65,784,345</u>	<u>\$ 143,384,427</u>	<u>\$ 23,549,062</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 39,909,556	\$ 2,174,744		
Changes of assumptions	94,734,281	19,905,437		
Net difference between projected and actual earnings on pension plan investments	27,714,183	64,153,384		
Changes in proportion and differences between School District contributions and proportionate share of contributions	2,160,116	3,099,842		
School District contributions subsequent to the measurement date	27,236,893	-		
	<u>\$ 191,755,029</u>	<u>\$ 89,333,407</u>		

\$2,515,044 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, 2022. The \$24,721,849 reported as deferred outflows of resources related to TRS will be recognized as a decrease of the net pension liability in the plan's year ended June 30, 2021. 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,	June 30,
	ERS	TRS
2021	\$ -	\$ 16,062,201
2022	(3,392,994)	32,901,708
2023	(934,860)	26,934,633
2024	(3,380,381)	16,768,528
2025	(12,220,552)	618,598
Thereafter	-	1,827,848
	<u>\$ (19,928,787)</u>	<u>\$ 95,113,516</u>

Note 3 - Detailed Notes on All Funds (Continued)

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, 2021	June 30, 2020
Actuarial valuation date	April 1, 2020	June 30, 2019
Investment rate of return	5.9% *	7.10% *
Salary scale	4.4%	1.90%-4.72%
Inflation rate	2.7%	2.2%
Cost of living adjustments	1.4%	1.3%

*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-2020. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2019, 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, 2015 - March 31, 2020. 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 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.

Yonkers City School District, New York

Notes to Financial Statements (Continued)

June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

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, 2021		TRS June 30, 2020	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %	33 %	7.1 %
International Equity	15	6.30	16	7.7
Private Equity	10	6.75	8	10.4
Real Estate	9	4.95	11	6.8
Domestic Fixed Income Securities	-	-	16	1.8
Global Fixed Income Securities	-	-	2	1.0
High Yield Fixed Income Securities	-	-	1	3.9
Global Equities	-	-	4	7.4
Private Debt	-	-	1	5.2
Real Estate Debt	-	-	7	3.6
Opportunistic/ARS Portfolio	3	4.50	-	-
Credit	4	3.63	-	-
Real Assets	3	5.95	-	-
Fixed Income	23	-	-	-
Cash	1	0.50	1	0.7
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7% for ERS and 2.2% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 7.1% for TRS. The projection of cash flows used to determine the discount rate assumes that 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 5.9% for ERS and 7.1% 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 (4.9% for ERS and 6.1% for TRS) or 1 percentage point higher (6.9% for ERS and 8.1% for TRS) than the current rate:

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
School District's proportionate share of the ERS net pension liability (asset)	<u>\$ 61,987,630</u>	<u>\$ 223,329</u>	<u>\$ (56,737,811)</u>
	1% Decrease (6.1%)	Current Discount Rate (7.1%)	1% Increase (8.1%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 268,051,220</u>	<u>\$ 42,435,625</u>	<u>\$ (146,913,035)</u>

The components of the collective net pension liability as of the March 31, 2021 ERS measurement date and the June 30, 2020 TRS measurement date were as follows:

	<u>ERS</u>	<u>TRS</u>
Total pension liability	\$ 220,680,157,000	\$ 123,242,776,215
Fiduciary net position	<u>220,580,583,000</u>	<u>120,479,505,380</u>
Employers' net pension liability	<u>\$ 99,574,000</u>	<u>\$ 2,763,270,835</u>
Fiduciary net position as a percentage of total pension liability	<u>99.95%</u>	<u>97.76%</u>

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, 2021 represent the projected employer contribution for the period April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Employee contributions are remitted monthly.

Employer and employee contributions for the year ended June 30, 2021 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, 2021 represent employee and employer contributions for the fiscal year ended June 30, 2021 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, 2021 were \$2,515,044 to ERS and \$27,352,744 to TRS, including employee contributions of \$2,339,370.

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%.

Note 3 - Detailed Notes on All Funds (Continued)

Employer contributions vest after 365 days of service. No current employees participated in this program.

Other Postemployment Benefit Liability (“OPEB”)

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 postemployment 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, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	2,449
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>3,323</u>
	<u><u>5,772</u></u>

The School District’s total OPEB liability of \$2,257,777,298 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%, average, including inflation
Discount rate	2.09%
Healthcare cost trend rates	7.0% for 2021, decreasing 0.25% per year to an ultimate rate of 4.5% for 2031 and later years
Retirees' share of benefit-related costs	Varies from 0% to 10.0%, depending on applicable retirement year and bargaining unit

The discount rate was based on an average of three 20-year bond indices (e.g., Bond Buyer – 20 Bond GO, S&P Municipal Bond 20 Year High Grade Rate Index, Fidelity GA AA 20 Years) as of June 30, 2021.

Mortality rates were based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables based on Employee and Healthy Annuitant Tables for both pre and post retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

The actuarial assumptions used in the July 1, 2019 valuation were based on the most recent decrement tables for turnover, disability and retirement for ERS and TRS. ERS and TRS tables were based on a version released in 2015.

The School District's change in the total OPEB liability for the year ended June 30, 2021 is as follows:

Total OPEB Liability - Beginning of Year	\$ 2,026,614,308
Service cost	63,047,156
Interest	41,967,556
Changes in assumptions or other inputs	163,342,812
Benefit payments	<u>(37,194,534)</u>
 Total OPEB Liability - End of Year	 <u><u>\$ 2,257,777,298</u></u>

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 a discount rate that is 1 percentage point lower (1.09%) or 1 percentage point higher (3.09%) than the current discount rate:

	1% Decrease (1.09%)	Current Discount Rate (2.09%)	1% Increase (3.09%)
Total OPEB Liability	<u>\$ 2,832,877,295</u>	<u>\$ 2,257,777,298</u>	<u>\$ 1,831,358,068</u>

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 (6% decreasing to 3.5%) or 1 percentage point higher (8% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7% decreasing to 4.5%)	1% Increase (8% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 1,774,296,481</u>	<u>\$ 2,257,777,298</u>	<u>\$ 2,929,916,018</u>

For the year ended June 30, 2021, the School District recognized OPEB expense of \$165,658,405 in the district-wide financial statements. At June 30, 2021, the following amounts were reported in deferred outflows/inflows of resources.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 315,681,893	\$ -
Differences between expected and actual experience	<u>-</u>	<u>-</u>
	<u>\$ 315,681,893</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u>	
2022	\$ 60,643,693
2023	60,643,693
2024	60,643,693
2025	60,643,693
2026	53,678,683
Thereafter	<u>19,428,438</u>
	<u>\$ 315,681,893</u>

E. 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, 2021, the City has dedicated \$270,802,576 to fund the educational programs and debt service obligations 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.

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>Special Aid Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund	\$ 1,495,200	\$ 1,355,707	\$ 2,850,907
Capital Projects	<u>-</u>	<u>200</u>	<u>200</u>
	<u>\$ 1,495,200</u>	<u>\$ 1,355,907</u>	<u>\$ 2,851,107</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to move amounts earmarked in the operating funds to 1) fulfill commitments for Special Aid and School Lunch funds expenditures and 2) transfer funds for completed capital projects to the debt service fund.

F. 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".

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2021					2020				
	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Special Aid Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:										
Inventories	\$ -	\$ -	\$ -	\$ 335,471	\$ 335,471	\$ -	\$ -	\$ -	\$ 189,308	\$ 189,308
Advances	732,522	-	-	-	732,522	4,122,845	-	-	-	4,122,845
Prepaid expenditures	598	-	-	-	598	18,459	-	-	-	18,459
Total Nonspendable	733,120	-	-	335,471	1,068,591	4,141,304	-	-	189,308	4,330,612
Restricted:										
Debt service	-	-	-	105,206	105,206	-	-	-	399,621	399,621
Debt service - for subsequent years expenditures	-	-	-	399,621	399,621	-	-	-	96,603	96,603
Capital projects	-	-	52,785,858	-	52,785,858	-	-	46,403,793	-	46,403,793
Special purpose (1)	-	-	-	752,439	752,439	-	-	-	775,878	775,878
Total Restricted	-	-	52,785,858	1,257,266	54,043,124	-	-	46,403,793	1,272,102	47,675,895
Assigned:										
Purchases on order:										
General government support	513,537	-	-	-	513,537	1,106,245	-	-	-	1,106,245
Instruction	123,736	-	-	-	123,736	140,352	-	-	-	140,352
	637,273	-	-	-	637,273	1,246,597	-	-	-	1,246,597
Subsequent year's expenditures	8,372,146	-	-	-	8,372,146	12,717,821	-	-	275,697	12,993,518
School Lunch Fund	-	-	-	604,366	604,366	-	-	-	474,832	474,832
Total Assigned	9,009,419	-	-	604,366	9,613,785	13,964,418	-	-	750,529	14,714,947
Unassigned	44,542,079	(732,522)	-	-	43,809,557	23,263,723	(4,122,845)	-	-	19,140,878
Total Fund Balances (Deficits)	\$ 54,284,618	\$ (732,522)	\$ 52,785,858	\$ 2,197,103	\$ 108,535,057	\$ 41,369,445	\$ (4,122,845)	\$ 46,403,793	\$ 2,211,939	\$ 85,862,332

(1) Balance at June 30, 2020 restated for the implementation of the provisions of GASB Statement No 84, "Fiduciary Activities".

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

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.

Prepaid expenditures represents certain payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure 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, 2021, the School District 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. Unassigned fund balance in the Special Aid Fund represents expenditures in excess of revenues in certain grants.

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.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2021

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

B. Contingencies

The School District participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Uniform Guidance. 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.

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 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

Yonkers City School District, New York

Notes to Financial Statements (Concluded)
June 30, 2021

Note 5 - Recently Issued GASB Pronouncements (Continued)

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the School District believes will most impact its financial statements. The School District will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 6 - Subsequent Event

The City of Yonkers Industrial Development Agency, on August 27, 2021, issued \$25,000,000 School Facility Revenue Bonds, due in annual installments through 2051, with interest rates ranging from 4.0% - 5.0%, depending on maturity. The bonds were issued pursuant to the Yonkers City School District Joint Schools Construction and Modernization Act to provide money to finance the costs of construction of new community school facilities for use by the School District.

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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) (2)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability:				
Service cost	\$ 63,047,156	\$ 54,120,606	\$ 21,687,335	\$ 21,055,665
Interest	41,967,556	41,481,564	58,012,600	56,562,154
Changes of assumptions or other inputs	163,342,812 (5)	249,640,738 (4)	-	-
Benefit payments	<u>(37,194,534)</u>	<u>(37,385,359)</u>	<u>(36,892,086)</u>	<u>(35,460,915)</u>
Net Change in Total OPEB Liability	231,162,990	307,857,549	42,807,849	42,156,904
Total OPEB Liability – Beginning of Year	<u>2,026,614,308</u>	<u>1,718,756,759</u>	<u>1,675,948,910</u>	<u>1,633,792,006 (3)</u>
Total OPEB Liability – End of Year	<u>\$ 2,257,777,298</u>	<u>\$ 2,026,614,308</u>	<u>\$ 1,718,756,759</u>	<u>\$ 1,675,948,910</u>
School District's covered-employee payroll	<u>\$ 325,807,641</u>	<u>\$ 304,739,588</u>	<u>\$ 297,094,732</u>	<u>\$ 279,031,345</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>692.98%</u>	<u>665.03%</u>	<u>578.52%</u>	<u>600.63%</u>

(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) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

(4) Discount rate decreased from 3.50% in 2019 to 2.44% in 2020.

(5) Discount rate decreased from 2.44% in 2020 to 2.09% in 2021.

Yonkers City School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (Asset) (2)

	2021 (6)	2020 (5)	2019	2018 (4)	2017 (3)	2016	2015
School District's proportion of the net pension liability (asset)	<u>1.535703%</u>	<u>1.520192%</u>	<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>\$ 42,435,625</u>	<u>\$ (39,494,688)</u>	<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 payroll	<u>\$ 260,657,438</u>	<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>	<u>\$ 207,758,212</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>16%</u>	<u>(15.56)%</u>	<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>97.76%</u>	<u>102.17%</u>	<u>101.53%</u>	<u>100.66%</u>	<u>99.01%</u>	<u>110.46%</u>	<u>111.48%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 24,721,849</u>	<u>\$ 23,094,249</u>	<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>
Contributions in relation to the contractually required contribution	<u>(24,721,849)</u>	<u>(23,094,249)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 259,410,797</u>	<u>\$ 260,657,438</u>	<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>9.53%</u>	<u>8.86%</u>	<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".

(2) The amounts presented for each fiscal year were determined as of the June 30 measurement date of the prior fiscal year.

(3) 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.

(4) 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.

(5) The discount rate used to calculate the total pension liability was decreased from 7.25% to 7.1% effective with the June 30, 2019 measurement date.

(6) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

Yonkers City School District, New York

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

Schedule of the School District's Proportionate Share of the Net Pension Liability (2)

	2021 (6)	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
School District's proportion of the net pension liability	<u>0.2242850%</u>	<u>0.2261894%</u>	<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>\$ 223,329</u>	<u>\$ 59,896,273</u>	<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>\$ 68,418,596</u>	<u>\$ 68,348,725</u>	<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>0.33%</u>	<u>87.63%</u>	<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>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 10,128,690</u>	<u>\$ 9,722,310</u>	<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>
Contributions in relation to the contractually required contribution	<u>10,128,690</u>	<u>(9,722,310)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	<u>\$ 67,989,348</u>	<u>\$ 71,277,833</u>	<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>14.90%</u>	<u>13.64%</u>	<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".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) 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.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in the School District's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

(6) Decrease in the School District's proportionate share of the net position liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.

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Yonkers City School District, New York

General Fund
 Comparative Balance Sheet
 June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Receivables		
Accounts	\$ 2,482,138	\$ 10,822,733
State and Federal aid	80,756,090	74,201,962
Due from City of Yonkers	110,118,364	82,726,234
Due from other funds	8,915,059	3,236,703
Advances to other funds	732,522	4,122,845
Prepaid expenditures	598	18,459
	<u>598</u>	<u>18,459</u>
Total Assets	<u>\$ 203,004,771</u>	<u>\$ 175,128,936</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 35,886,648	\$ 21,389,180
Accrued liabilities	36,540,038	35,293,027
Due to other governments	742,264	533,595
Due to retirement systems	29,867,788	29,926,912
Due to other funds	43,497,119	42,528,460
Overpayments	638,469	438,188
	<u>638,469</u>	<u>438,188</u>
Total Liabilities	147,172,326	130,109,362
Deferred inflows of resources		
Deferred revenues	1,547,827	3,650,129
	<u>1,547,827</u>	<u>3,650,129</u>
Total Liabilities and Deferred inflows of Resources	<u>148,720,153</u>	<u>133,759,491</u>
Fund balance		
Nonspendable	733,120	4,141,304
Assigned	9,009,419	13,964,418
Unassigned	44,542,079	23,263,723
	<u>44,542,079</u>	<u>23,263,723</u>
Total Fund Balance	<u>54,284,618</u>	<u>41,369,445</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 203,004,771</u>	<u>\$ 175,128,936</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,

	2021				
	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Charges for services	\$ 350,000	\$ 350,000	\$ 239,109	\$	\$ (110,891)
Use of money and property	270,000	270,000	23,989		(246,011)
Sale of property and compensation for loss	1,600	1,600	20,740		19,140
Interfund revenues	446,344	446,344	313,559		(132,785)
State aid	342,807,186	342,807,186	321,118,121		(21,689,065)
Federal aid	814,900	814,900	10,252,506		9,437,606
Miscellaneous	930,000	930,000	5,046,846		4,116,846
Total Revenues	345,620,030	345,620,030	337,014,870		(8,605,160)
EXPENDITURES					
Current					
General support					
Board of education	293,115	296,803	249,995	-	46,808
Central administration	835,074	835,074	779,071	-	56,003
Finance	143,490	143,490	142,350	-	1,140
Central services	40,146,022	41,477,040	38,552,324	517,160	2,407,556
Special items	1,178,889	1,257,733	1,251,971	-	5,762
Total General Support	42,596,590	44,010,140	40,975,711	517,160	2,517,269
Instruction					
Instruction, administration and improvement	32,704,210	33,428,053	32,255,261	38,853	1,133,939
Teaching - Regular school	192,665,924	195,540,925	189,046,626	21,535	6,472,764
Programs for students with disabilities	105,183,756	104,143,066	97,430,267	-	6,712,799
Occupational education	6,765,302	6,877,424	6,734,006	4,907	138,511
Instructional media	1,901,864	2,292,363	2,232,490	156	59,717
Pupil services	22,124,877	22,580,885	19,806,214	54,662	2,720,009
Total Instruction	361,345,933	364,862,716	347,504,864	120,113	17,237,739
Pupil transportation	40,683,249	38,023,202	29,805,612	-	8,217,590
Employee benefits	157,193,042	151,722,374	147,852,158	-	3,870,216
Debt service					
Principal	1,438,572	1,438,572	1,438,572	-	-
Interest	195,080	195,462	195,398	-	64
Total Debt Service	1,633,652	1,634,034	1,633,970	-	64
Total Expenditures	603,452,466	600,252,466	567,772,315	637,273	31,842,878
Deficiency of Revenues Over Expenditures	(257,832,436)	(254,632,436)	(230,757,445)	(637,273)	23,237,718
OTHER FINANCING SOURCES (USES)					
Contribution from City of Yonkers	245,363,218	245,363,218	246,523,525	-	1,160,307
Transfers out	(1,495,200)	(4,695,200)	(2,850,907)	-	1,844,293
Total Other Financing Sources	243,868,018	240,668,018	243,672,618	-	3,004,600
Net Change in Fund Balance	(13,964,418)	(13,964,418)	12,915,173	\$ (637,273)	\$ 26,242,318
FUND BALANCE					
Beginning of Year	13,964,418	13,964,418	41,369,445		
End of Year	\$ -	\$ -	\$ 54,284,618		

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
\$ 353,854	\$ 353,854	\$ 578,198	\$	\$ 224,344
255,000	255,000	162,912		(92,088)
1,600	1,600	1,500		(100)
416,455	416,455	328,076		(88,379)
338,906,553	339,506,553	338,670,212		(836,341)
814,900	814,900	1,033,722		218,822
930,000	930,000	2,468,446		1,538,446
<u>341,678,362</u>	<u>342,278,362</u>	<u>343,243,066</u>		<u>964,704</u>
291,319	291,317	243,291	114	47,912
814,231	884,346	879,102	-	5,244
153,600	153,600	129,720	-	23,880
38,598,806	38,789,121	35,940,162	1,106,131	1,742,828
1,122,751	1,122,751	1,120,120	-	2,631
<u>40,980,707</u>	<u>41,241,135</u>	<u>38,312,395</u>	<u>1,106,245</u>	<u>1,822,495</u>
32,335,889	32,930,652	32,291,855	-	638,797
189,786,366	189,332,161	187,122,949	47,204	2,162,008
99,504,042	100,515,787	95,700,869	7,966	4,806,952
6,715,905	6,678,826	6,640,079	4,775	33,972
1,816,066	2,201,383	2,128,175	194	73,014
21,947,567	21,469,064	19,630,069	80,213	1,758,782
<u>352,105,835</u>	<u>353,127,873</u>	<u>343,513,996</u>	<u>140,352</u>	<u>9,473,525</u>
<u>38,534,461</u>	<u>36,399,819</u>	<u>27,079,128</u>	<u>-</u>	<u>9,320,691</u>
<u>158,387,305</u>	<u>157,739,481</u>	<u>154,502,301</u>	<u>-</u>	<u>3,237,180</u>
1,378,339	1,378,339	1,378,339	-	-
237,454	237,454	237,454	-	-
<u>1,615,793</u>	<u>1,615,793</u>	<u>1,615,793</u>	<u>-</u>	<u>-</u>
<u>591,624,101</u>	<u>590,124,101</u>	<u>565,023,613</u>	<u>1,246,597</u>	<u>23,853,891</u>
<u>(249,945,739)</u>	<u>(247,845,739)</u>	<u>(221,780,547)</u>	<u>(1,246,597)</u>	<u>24,818,595</u>
243,345,359	243,345,359	243,345,359	-	-
(1,495,200)	(3,595,200)	(3,526,075)	-	69,125
<u>241,850,159</u>	<u>239,750,159</u>	<u>239,819,284</u>	<u>-</u>	<u>69,125</u>
(8,095,580)	(8,095,580)	18,038,737	\$ (1,246,597)	\$ 24,887,720
<u>8,095,580</u>	<u>8,095,580</u>	<u>23,330,708</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,369,445</u>		

Yonkers City School District, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
Day school tuition	\$ 185,000	\$ 185,000	\$ -	\$ (185,000)
Summer school tuition - Individuals	4,000	4,000	-	(4,000)
Health services for other districts	160,000	160,000	237,786	77,786
Other	1,000	1,000	1,323	323
	<u>350,000</u>	<u>350,000</u>	<u>239,109</u>	<u>(110,891)</u>
USE OF MONEY AND PROPERTY				
Rental of real property - Individuals	180,000	180,000	3,800	(176,200)
Rental - Other governments	90,000	90,000	20,189	(69,811)
	<u>270,000</u>	<u>270,000</u>	<u>23,989</u>	<u>(246,011)</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other	1,600	1,600	20,740	19,140
	<u>446,344</u>	<u>446,344</u>	<u>313,559</u>	<u>(132,785)</u>
INTERFUND REVENUES				
STATE AID				
Basic formula	276,331,144	261,331,144	238,193,390	(23,137,754)
Lottery	46,147,901	61,147,901	62,592,493	1,444,592
Educational improvement plan	17,500,000	17,500,000	17,500,000	-
Textbooks	1,789,615	1,789,615	1,792,411	2,796
Computer software	858,670	858,670	859,746	1,076
Library materials	179,856	179,856	180,081	225
	<u>342,807,186</u>	<u>342,807,186</u>	<u>321,118,121</u>	<u>(21,689,065)</u>

FEDERAL AID

Elementary and Secondary School Emergency

Relief Fund (CARES)	-	-	8,167,486	8,167,486
Governor's Emergency Education Relief Fund (CARES)	-	-	1,368,114	1,368,114
Medical assistance	800,000	800,000	685,258	(114,742)
Impact aid	14,900	14,900	31,648	16,748

	814,900	814,900	10,252,506	9,437,606
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MISCELLANEOUS

Refund of prior year's expenditures

Saunders Trust Fund	-	-	713	713
Other	80,000	80,000	664,738	584,738

	930,000	930,000	5,046,846	4,116,846
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TOTAL REVENUES

	345,620,030	345,620,030	337,014,870	(8,605,160)
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OTHER FINANCING SOURCES

Contribution from City of Yonkers

	245,363,218	245,363,218	246,523,525	1,160,307
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TOTAL REVENUES AND**OTHER FINANCING SOURCES**

	<u>\$ 590,983,248</u>	<u>\$ 590,983,248</u>	<u>\$ 583,538,395</u>	<u>\$ (7,444,853)</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, 2021

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 293,115	\$ 296,803	\$ 249,995	\$ -	\$ 46,808
CENTRAL ADMINISTRATION					
Chief school administrator	835,074	835,074	779,071	-	56,003
FINANCE					
Auditing	143,490	143,490	142,350	-	1,140
CENTRAL SERVICES					
Operation of plant	31,759,055	32,982,574	30,895,448	298,012	1,789,114
Maintenance of plant	5,276,248	5,321,247	4,646,269	219,148	455,830
Central printing and mailing	348,642	411,142	410,144	-	998
Data processing	2,762,077	2,762,077	2,600,463	-	161,614
Total Central Services	40,146,022	41,477,040	38,552,324	517,160	2,407,556
SPECIAL ITEMS					
Unallocated insurance	1,178,889	1,257,733	1,251,971	-	5,762
Total General Support	42,596,590	44,010,140	40,975,711	517,160	2,517,269

INSTRUCTION***INSTRUCTION, ADMINISTRATION AND IMPROVEMENT***

Curriculum development and supervision	2,661,059	2,801,756	2,696,892	-	104,864
Supervision - Regular school	28,762,280	29,345,426	28,741,294	33,752	570,380
Research, training and evaluation	1,165,446	1,165,446	799,759	5,101	360,586
In-service training - Instruction	115,425	115,425	17,316	-	98,109

Total Instruction, Administration
and Improvement

32,704,210	33,428,053	32,255,261	38,853	1,133,939
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TEACHING - REGULAR SCHOOL

192,665,924	195,540,925	189,046,626	21,535	6,472,764
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PROGRAMS FOR STUDENTS WITH DISABILITIES

105,183,756	104,143,066	97,430,267	-	6,712,799
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OCCUPATIONAL EDUCATION

6,765,302	6,877,424	6,734,006	4,907	138,511
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INSTRUCTIONAL MEDIA

School library and audiovisual	1,155,149	1,155,149	1,122,636	156	32,357
Computer assisted instruction	746,715	1,137,214	1,109,854	-	27,360

Total Instructional Media

1,901,864	2,292,363	2,232,490	156	59,717
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PUPIL SERVICES

Attendance - Regular school	893,675	893,675	847,850	-	45,825
Guidance - Regular school	5,120,465	5,120,464	4,778,655	9,501	332,308
Health services - Regular school	6,692,085	6,935,259	6,113,840	5,599	815,820
Psychological services - Regular school	4,201,864	4,292,002	4,007,783	-	284,219
Social work services - Regular school	1,755,471	1,883,796	1,700,008	-	183,788
Interscholastic athletics - Regular school	3,461,317	3,455,689	2,358,078	39,562	1,058,049

Total Pupil Services

22,124,877	22,580,885	19,806,214	54,662	2,720,009
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Total Instruction

361,345,933	364,862,716	347,504,864	120,113	17,237,739
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(Continued)

Yonkers City School District, New York

General Fund

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

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
PUPIL TRANSPORTATION					
District transportation services	\$ 4,856,023	\$ 4,418,841	\$ 2,975,081	\$ -	\$ 1,443,760
Contract transportation	34,855,226	32,632,361	26,742,893	-	5,889,468
Public transportation	900,000	900,000	78,686	-	821,314
BOCES transportation	72,000	72,000	8,952	-	63,048
Total Pupil Transportation	40,683,249	38,023,202	29,805,612	-	8,217,590
EMPLOYEE BENEFITS					
State retirement	11,652,477	11,652,477	11,409,024	-	243,453
Teachers' retirement	23,512,318	22,814,044	22,273,426	-	540,618
Social security	23,550,242	22,989,718	22,103,320	-	886,398
Hospital, medical and dental benefits	92,858,436	90,127,038	87,856,594	-	2,270,444
Life insurance	48,867	40,870	40,869	-	1
Unemployment benefits	1,352,224	2,224	-	-	2,224
Union welfare benefits	4,218,478	4,096,003	4,168,925	-	(72,922)
Total Employee Benefits	157,193,042	151,722,374	147,852,158	-	3,870,216
DEBT SERVICE					
Notes					
Principal	1,438,572	1,438,572	1,438,572	-	-
Interest	195,080	195,462	195,398	-	64
Total Debt Service	1,633,652	1,634,034	1,633,970	-	64
TOTAL EXPENDITURES	603,452,466	600,252,466	567,772,315	637,273	31,842,878

OTHER FINANCING USES

Transfers out

Special Aid Fund	1,495,200	1,495,200	1,495,200	-	-
School Lunch Fund	-	3,200,000	1,355,707	-	1,844,293

TOTAL OTHER FINANCING USES

	<u>1,495,200</u>	<u>4,695,200</u>	<u>2,850,907</u>	<u>-</u>	<u>1,844,293</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 604,947,666</u>	<u>\$ 604,947,666</u>	<u>\$ 570,623,222</u>	<u>\$ 637,273</u>	<u>\$ 33,687,171</u>
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See independent auditors' report.

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Yonkers City School District, New York

Special Aid Fund
 Comparative Balance Sheet
 June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Receivables		
State and Federal aid	\$ 30,626,977	\$ 19,353,265
Due from other funds	96,485	684,142
	<u> </u>	<u> </u>
Total Assets	<u>\$ 30,723,462</u>	<u>\$ 20,037,407</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 1,770,808	\$ 934,062
Accrued liabilities	694,220	777,773
Unearned revenue	1,190,940	217,366
Due to City of Yonkers	27,026,137	13,721,700
Due to other funds	41,357	807,865
Advances from other funds	732,522	4,122,845
	<u> </u>	<u> </u>
Total Liabilities	31,455,984	20,581,611
Deferred inflows of resources		
Deferred revenues	-	3,578,641
	<u> </u>	<u> </u>
Total Liabilities and Deferred Inflows of Resources	31,455,984	24,160,252
Fund deficit		
Unassigned	(732,522)	(4,122,845)
	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources and Fund Deficit	<u>\$ 30,723,462</u>	<u>\$ 20,037,407</u>

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,

2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State aid	\$ 26,416,202	\$ 27,928,451	\$ 27,780,607	\$ (147,844)
Federal aid	30,326,842	33,336,343	20,195,892	(13,140,451)
Miscellaneous	1,023,064	1,023,064	318,119	(704,945)
Total Revenues	57,766,108	62,287,858	48,294,618	(13,993,240)
EXPENDITURES				
Current				
General support	249,363	400,107	310,201	89,906
Instruction	54,729,207	59,100,061	42,175,092	16,924,969
Pupil transportation	318,500	318,500	94,093	224,407
Community services	472,785	472,937	400,020	72,917
Employee benefits	3,491,453	3,491,453	3,420,089	71,364
Total Expenditures	59,261,308	63,783,058	46,399,495	17,383,563
Excess (Deficiency) of Revenues Over Expenditures	(1,495,200)	(1,495,200)	1,895,123	3,390,323
OTHER FINANCING SOURCES				
Transfers in	1,495,200	1,495,200	1,495,200	-
Net Change in Fund Balance	-	-	3,390,323	3,390,323
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	(4,122,845)	(4,122,845)
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (732,522)</u>	<u>\$ (732,522)</u>

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 34,081,249	\$ 31,647,538	\$ 25,662,048	\$ (5,985,490)
24,846,041	27,736,413	22,324,120	(5,412,293)
201,121	157,514	152,513	(5,001)
59,128,411	59,541,465	48,138,681	(11,402,784)
370,865	348,090	327,128	20,962
54,617,018	55,048,530	45,685,284	9,363,246
1,569,870	1,632,570	1,365,747	266,823
479,764	385,518	376,206	9,312
3,586,094	3,621,957	3,415,929	206,028
60,623,611	61,036,665	51,170,294	9,866,371
(1,495,200)	(1,495,200)	(3,031,613)	(1,536,413)
1,495,200	1,495,200	1,426,075	(69,125)
-	-	(1,605,538)	(1,605,538)
-	-	(2,517,307)	(2,517,307)
\$ -	\$ -	\$ (4,122,845)	\$ (4,122,845)

Yonkers City School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Receivables		
Accounts	\$ 1,967,342	\$ 1,134,249
Due from City of Yonkers	57,140,900	51,217,573
Due from other funds	<u>42,963</u>	<u>42,963</u>
Total Assets	<u>\$ 59,151,205</u>	<u>\$ 52,394,785</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,009,828	\$ 1,886,130
Accrued liabilities	2,896,133	2,649,954
Due to other funds	<u>1,459,386</u>	<u>1,454,908</u>
Total Liabilities	6,365,347	5,990,992
Fund balance		
Restricted	<u>52,785,858</u>	<u>46,403,793</u>
Total Liabilities and Fund Balance	<u>\$ 59,151,205</u>	<u>\$ 52,394,785</u>

See independent auditors' report.

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

	<u>2021</u>	<u>2020</u>
REVENUES		
State aid	\$ 1,809,016	\$ 5,154,143
EXPENDITURES		
Capital outlay	<u>35,529,551</u>	<u>35,958,709</u>
Deficiency of Revenues Over Expenditures	<u>(33,720,535)</u>	<u>(30,804,566)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	33,175,000	52,775,000
Issuance premium	6,927,800	9,864,299
Transfer out	<u>(200)</u>	<u>-</u>
Total Other Financing Sources	<u>40,102,600</u>	<u>62,639,299</u>
Net Change in Fund Balance	6,382,065	31,834,733
FUND BALANCE		
Beginning of Year	<u>46,403,793</u>	<u>14,569,060</u>
End of Year	<u>\$ 52,785,858</u>	<u>\$ 46,403,793</u>

See independent auditors' report.

Yonkers City School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception Of Project Through June 30, 2021

PROJECT	Authorization		Expenditures and Transfers to Date		
	Original	Revised	Prior Years	Current Year	Total
Bond Sale - December 2011	\$ 10,000,000	\$ 10,000,000	\$ 9,978,656	\$ 16,342	\$ 9,994,998
Bond Sale - December 2012	27,846,460	27,846,460	27,327,853	230,147	27,558,000
Bond Anticipation Note - August 2013	5,205,900	5,205,900	5,205,700	200	5,205,900
Bond Sale - October 2014	21,729,385	21,778,902	21,703,689	14,279	21,717,968
Bond Sale - September 2015	19,883,325	19,883,325	19,732,476	-	19,732,476
Bond Sale - December 2016	16,369,985	16,369,985	14,728,500	679,643	15,408,143
Saunders Insurance Recovery	598,362	1,155,423	1,120,224	5,932	1,126,156
Bond Anticipation Note - April 2017	2,700,000	2,700,000	2,580,517	115,921	2,696,438
Bond Sale October 2017	19,467,362	19,467,362	17,098,352	1,314,682	18,413,034
Cash Capital - Travelers	581,128	660,076	607,292	19,415	626,707
Smart School Bond Act - Non-CIP	3,838,075	3,838,075	3,838,062	-	3,838,062
DASNY State and Municipal Facilities Program Grant	21,000,000	21,000,000	18,238,267	586,816	18,825,083
Bond Anticipation Note - August 2018	2,700,000	2,700,000	2,590,204	59,731	2,649,935
Bond Anticipation Note - May 2019	24,620,000	24,620,000	14,854,868	6,175,168	21,030,036
DASNY State and Municipal Facilities Program No. 13081	500,000	500,000	37,195	429,330	466,525
Bond Sale - November 2019	34,927,459	35,319,299	4,237,413	21,414,157	25,651,570
Bond Sale - February 2021	40,102,800	40,102,800	-	3,245,788	3,245,788
Smart Schools Investment Plan- Non-CIP 2021	2,452,184	2,452,184	-	1,222,200	1,222,200
Total	\$ 254,522,425	\$ 255,599,791	\$ 163,879,268	\$ 35,529,751	\$ 199,409,019

Unexpended Balance	Methods of Financing				Fund Balance at June 30, 2021
	Proceeds of Obligations	State Aid	Other	Total	
\$ 5,002	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 5,002
288,460	27,846,460	-	-	27,846,460	288,460
-	5,205,900	-	-	5,205,900	-
60,934	21,778,902	-	-	21,778,902	60,934
150,849	19,883,325	-	-	19,883,325	150,849
961,842	16,369,985	-	-	16,369,985	961,842
29,267	-	-	1,155,423	1,155,423	29,267
3,562	2,700,000	-	-	2,700,000	3,562
1,054,328	19,467,362	-	-	19,467,362	1,054,328
33,369	-	-	660,076	660,076	33,369
13	-	3,838,062	-	3,838,062	-
2,174,917	-	18,825,083	-	18,825,083	-
50,065	2,700,000	-	-	2,700,000	50,065
3,589,964	24,620,000	-	-	24,620,000	3,589,964
33,475	-	500,000	-	500,000	33,475
9,667,729	35,319,299	-	-	35,319,299	9,667,729
36,857,012	40,102,800	-	-	40,102,800	36,857,012
1,229,984	-	1,222,200	-	1,222,200	-
<u>\$ 56,190,772</u>	<u>\$ 225,994,033</u>	<u>\$ 24,385,345</u>	<u>\$ 1,815,499</u>	<u>\$ 252,194,877</u>	<u>\$ 52,785,858</u>

Yonkers City School District, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2021
 (With Comparative Totals for 2020)

	School Lunch	Special Purpose	Debt Service
ASSETS			
Cash and equivalents	\$ -	\$ 337,902	\$ -
Receivables			
Accounts	6,739	1,432	-
State and Federal aid	2,901,012	-	-
Due from City of Yonkers	-	5,719,722	-
Due from other funds	-	1,168,659	42,332,789
	<u>2,907,751</u>	<u>6,889,813</u>	<u>42,332,789</u>
Inventories	<u>335,471</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,243,222</u>	<u>\$ 7,227,715</u>	<u>\$ 42,332,789</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 150,730	\$ 499	\$ -
Accrued liabilities	291,478	-	-
Due to City of Yonkers	1,379,386	-	41,226,437
Due to other funds	481,791	6,474,777	601,525
Total Liabilities	<u>2,303,385</u>	<u>6,475,276</u>	<u>41,827,962</u>
Fund balances			
Nonspendable	335,471	-	-
Restricted	-	752,439	504,827
Assigned	604,366	-	-
Total Fund Balances	<u>939,837</u>	<u>752,439</u>	<u>504,827</u>
Total Liabilities and Fund Balances	<u>\$ 3,243,222</u>	<u>\$ 7,227,715</u>	<u>\$ 42,332,789</u>

See independent auditors' report.

Total Non-Major
Governmental Funds

2021	2020
\$ 337,902	\$ 411,932
8,171	12,337
2,901,012	322,409
5,719,722	3,310,182
43,501,448	42,528,460
52,130,353	46,173,388
335,471	189,308
\$ 52,803,726	\$ 46,774,628
\$ 151,229	\$ 1,221,399
291,478	205,599
42,605,823	41,434,656
7,558,093	1,701,035
50,606,623	44,562,689
335,471	189,308
1,257,266	1,272,102
604,366	750,529
2,197,103	2,211,939
\$ 52,803,726	\$ 46,774,628

Yonkers City School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2021
(With Comparative Totals for 2020)

	School Lunch	Special Purpose	Debt Service
REVENUES			
Use of money and property	\$ -	\$ 187	\$ 105,006
State aid	182,866	-	-
Federal aid	6,876,601	-	-
Food sales	413	-	-
Miscellaneous	-	345,419	-
	<u>7,059,880</u>	<u>345,606</u>	<u>105,006</u>
EXPENDITURES			
Current			
Employee benefits	2,570,194	-	-
Cost of food sales	5,845,393	-	-
Other	-	369,045	-
Debt service			
Principal	-	-	15,641,000
Interest	-	-	8,734,654
	<u>8,415,587</u>	<u>369,045</u>	<u>24,375,654</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,355,707)</u>	<u>(23,439)</u>	<u>(24,270,648)</u>
OTHER FINANCING SOURCES (USES)			
Contribution from City of Yonkers	-	-	24,279,051
Transfers in	1,355,707	-	200
	<u>1,355,707</u>	<u>-</u>	<u>24,279,251</u>
Net Change in Fund Balances	-	(23,439)	8,603
FUND BALANCES			
Beginning of Year, as reported	939,837	775,878	496,224
Cumulative Effect of Change in Accounting Principle	-	-	-
Beginning of year, as restated	<u>939,837</u>	<u>775,878</u>	<u>496,224</u>
End of Year	<u>\$ 939,837</u>	<u>\$ 752,439</u>	<u>\$ 504,827</u>

See independent auditors' report.

Total Non-Major Governmental Funds	
2021	2020
\$ 105,193	\$ 400,612
182,866	168,404
6,876,601	7,677,984
413	38,687
345,419	753,937
<u>7,510,492</u>	<u>9,039,624</u>
2,570,194	2,760,477
5,845,393	7,394,185
369,045	538,381
15,641,000	16,554,654
8,734,654	5,864,959
<u>33,160,286</u>	<u>33,112,656</u>
<u>(25,649,794)</u>	<u>(24,073,032)</u>
24,279,051	22,253,252
1,355,907	2,100,000
<u>25,634,958</u>	<u>24,353,252</u>
(14,836)	280,220
2,211,939	1,614,487
-	317,232
<u>2,211,939</u>	<u>1,931,719</u>
<u>\$ 2,197,103</u>	<u>\$ 2,211,939</u>

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Yonkers City School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Receivables		
Accounts	\$ 6,739	\$ 11,093
State and Federal aid	2,901,012	322,409
Due from City of Yonkers	-	2,328,529
	<u>2,907,751</u>	<u>2,662,031</u>
Inventories	<u>335,471</u>	<u>189,308</u>
Total Assets	<u>\$ 3,243,222</u>	<u>\$ 2,851,339</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 150,730	\$ 1,221,399
Accrued liabilities	291,478	205,599
Due to City of Yonkers	1,379,386	2,713
Due to other funds	481,791	481,791
Total Liabilities	<u>2,303,385</u>	<u>1,911,502</u>
Fund balance		
Nonspendable	335,471	189,308
Assigned	604,366	750,529
Total Fund Balance	<u>939,837</u>	<u>939,837</u>
Total Liabilities and Fund Balance	<u>\$ 3,243,222</u>	<u>\$ 2,851,339</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,

2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State aid	\$ 233,059	\$ 233,059	\$ 182,866	\$ (50,193)
Federal aid	11,397,150	11,397,150	6,876,601	(4,520,549)
Food sales	163,000	163,000	413	(162,587)
Miscellaneous	-	-	-	-
Total Revenues	11,793,209	11,793,209	7,059,880	(4,733,329)
EXPENDITURES				
Current				
Employee benefits	2,981,574	2,981,574	2,570,194	411,380
Cost of food sales	9,087,332	9,087,332	5,845,393	3,241,939
Total Expenditures	12,068,906	12,068,906	8,415,587	3,653,319
Excess (Deficiency) of Revenues Over Expenditures	(275,697)	(275,697)	(1,355,707)	(1,080,010)
OTHER FINANCING SOURCES				
Transfers in	-	-	1,355,707	1,355,707
Net Change in Fund Balance	(275,697)	(275,697)	-	275,697
FUND BALANCE				
Beginning of Year	275,697	275,697	939,837	664,140
End of Year	\$ -	\$ -	\$ 939,837	\$ 939,837

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 235,346	\$ 235,346	\$ 168,404	\$ (66,942)
11,139,192	11,139,192	7,677,984	(3,461,208)
197,342	197,342	38,687	(158,655)
-	-	4,382	4,382
11,571,880	11,571,880	7,889,457	(3,682,423)
3,107,219	3,064,719	2,760,477	304,242
9,013,616	9,056,116	7,394,185	1,661,931
12,120,835	12,120,835	10,154,662	1,966,173
(548,955)	(548,955)	(2,265,205)	(1,716,250)
-	-	2,100,000	2,100,000
(548,955)	(548,955)	(165,205)	383,750
548,955	548,955	1,105,042	556,087
\$ -	\$ -	\$ 939,837	\$ 939,837

Yonkers City School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 337,902	\$ 411,932
Receivables		
Accounts	1,432	1,244
Due from City of Yonkers	5,719,722	980,421
Due from other funds	1,168,659	-
	<u>6,889,813</u>	<u>981,665</u>
Total Assets	<u>\$ 7,227,715</u>	<u>\$ 1,393,597</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 499	\$ -
Due to other funds	6,474,777	617,719
Total Liabilities	6,475,276	617,719
Fund balance		
Restricted	<u>752,439</u>	<u>775,878</u>
Total Liabilities and Fund Balance	<u>\$ 7,227,715</u>	<u>\$ 1,393,597</u>

See independent auditors' report.

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

	<u>2021</u>	<u>2020</u>
REVENUES		
Use of money and property	\$ 187	\$ 991
Miscellaneous	<u>345,419</u>	<u>749,555</u>
Total Revenues	345,606	750,546
EXPENDITURES		
Current		
Other	<u>369,045</u>	<u>538,381</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,439)</u>	<u>212,165</u>
FUND BALANCE		
Beginning of Year, as reported	775,878	246,481
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>317,232</u>
Beginning of Year, as restated	<u>775,878</u>	<u>563,713</u>
End of Year	<u>\$ 752,439</u>	<u>\$ 775,878</u>

See independent auditors' report.

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Yonkers City School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2021</u>	<u>2020</u>
ASSETS		
Due from City of Yonkers	\$ -	\$ 1,232
Due from other funds	<u>42,332,789</u>	<u>42,528,460</u>
	<u>\$ 42,332,789</u>	<u>\$ 42,529,692</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to City of Yonkers	\$ 41,226,437	\$ 41,431,943
Due to other funds	<u>601,525</u>	<u>601,525</u>
Total Liabilities	41,827,962	42,033,468
 Fund balance		
Restricted	<u>504,827</u>	<u>496,224</u>
Total Liabilities and Fund Balance	<u>\$ 42,332,789</u>	<u>\$ 42,529,692</u>

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,

	2021			Variance with Final Budget
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 105,006	\$ 105,006
EXPENDITURES				
Debt service				
Principal				
Bonds	15,441,000	15,441,000	15,441,000	-
State loan	200,000	200,000	200,000	-
	15,641,000	15,641,000	15,641,000	-
Interest				
Bonds	8,734,654	8,734,654	8,734,654	-
Total Expenditures	24,375,654	24,375,654	24,375,654	-
Deficiency of Revenues Over Expenditures	(24,375,654)	(24,375,654)	(24,270,648)	105,006
OTHER FINANCING SOURCES				
Contribution from City of Yonkers	24,279,051	24,279,051	24,279,051	-
Transfers in	-	-	200	200
Total Other Financing Sources	24,279,051	24,279,051	24,279,251	200
Net Change in Fund Balance	(96,603)	(96,603)	8,603	105,206
FUND BALANCE				
Beginning of Year	96,603	96,603	496,224	399,621
End of Year	\$ -	\$ -	\$ 504,827	\$ 504,827

See independent auditors' report.

2020

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ 399,621	\$ 399,621
16,354,654	16,354,654	16,354,654	-
200,000	200,000	200,000	-
16,554,654	16,554,654	16,554,654	-
5,864,959	5,864,959	5,864,959	-
22,419,613	22,419,613	22,419,613	-
(22,419,613)	(22,419,613)	(22,019,992)	399,621
22,253,252	22,253,252	22,253,252	-
-	-	-	-
22,253,252	22,253,252	22,253,252	-
(166,361)	(166,361)	233,260	399,621
166,361	166,361	262,964	96,603
\$ -	\$ -	\$ 496,224	\$ 496,224

Yonkers City School District, New York

General Fund

Analysis of Change from Adopted Budget to Final Budget

Year Ended June 30, 2021

Adopted Budget	\$ 603,701,069
Additions	
Encumbrances	<u>1,246,597</u>
Original/Final Budget	<u><u>\$ 604,947,666</u></u>

See independent auditors' report.

Yonkers City School District, New York

Schedule of Net Investment in Capital Assets
Year Ended June 30, 2021

Capital Assets, net		\$ 337,265,436
Less		
Bonds payable - Capital construction	\$ (186,780,000)	
Notes payable	(5,336,291)	
Unamortized portion of premium on bonds - Capital construction	<u>(21,177,363)</u>	(213,293,654)
Plus		
Unexpended bond proceeds	52,689,747	
Unamortized portion of loss on refunding bonds - Capital construction	<u>1,262,895</u>	<u>53,952,642</u>
Net Investment in Capital Assets		<u>\$ 177,924,424</u>

See independent auditors' report.

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**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, 2021, 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 December 1, 2021.

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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

PKF O'Connor Davies, LLP

Harrison, New York

December 1, 2021



**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, 2021. 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 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, 2021.

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

PKF O'Connor Davies, LLP

Harrison, New York

December 1, 2021

Yonkers City School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</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>				
National School Lunch Program - Commodities	10.555	N/A	\$ -	\$ 383,867
National School Lunch Program - Cash	10.555	N/A	-	1,398,002
Summer Food Service Program for Children	10.559	N/A	-	5,094,732
Subtotal Child Nutrition Cluster			-	6,876,601
 Fresh Fruit and Vegetable Program	 10.582	 N/A	 -	 44,063
Total U.S. Department of Agriculture			-	6,920,664
<u>U.S. Department of Education</u>				
Direct Program				
Impact Aid	84.041	N/A	-	31,648
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster - IDEA</i>				
Special Education - Grants to States	84.027	0032-21-1107	-	6,813,420
Special Education - Preschool Grants	84.173	0033-21-1107	-	193,432
Subtotal Special Education Cluster			-	7,006,852
Adult Education - Basic Grants to States	84.002	2338-20-3075	-	379,966
Title I Grants to Local Educational Agencies	84.010	0011-20-2005	-	50,640
Title I Grants to Local Educational Agencies	84.010	0011-21-2005	-	69,123
Title I Grants to Local Educational Agencies	84.010	0011-20-2708	-	34,818
Title I Grants to Local Educational Agencies	84.010	0011-20-5043	-	163,532
Title I Grants to Local Educational Agencies	84.010	0011-21-7629	-	344,231
Title I Grants to Local Educational Agencies	84.010	0021-20-3820	-	426,459
Title I Grants to Local Educational Agencies	84.010	0021-21-3820	-	8,728,099
			-	9,816,902
Career and Technical Education - Basic Grants to States	84.048	8000-21-9037	-	312,274
Career and Technical Education - Basic Grants to States	84.048	8000-21-0001	-	241,083
			-	553,357

(Continued)

Yonkers City School District, New York

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</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	0149-20-3820	\$ -	\$ 14,945
English Language Acquisition State Grants	84.365	0149-21-3820	-	19,136
English Language Acquisition State Grants	84.365	0293-20-3820	-	86,935
English Language Acquisition State Grants	84.365	0293-21-3820	-	418,215
			<u>-</u>	<u>539,231</u>
Supporting Effective Instruction State Grants	84.367	0145-20-1002	-	102,321
Supporting Effective Instruction State Grants	84.367	0145-21-1002	-	209,430
Supporting Effective Instruction State Grants	84.367	0147-20-3820	-	199,708
Supporting Effective Instruction State Grants	84.367	0147-21-3820	-	779,896
			<u>-</u>	<u>1,291,355</u>
Student Support and Academic Enrichment Program	84.424A	0204-20-3820	-	470,519
Student Support and Academic Enrichment Program	84.424A	0204-21-3820	-	93,647
			<u>-</u>	<u>564,166</u>
Governor's Emergency Education Relief (GEER) Fund (CARES)	84.425C	5895-21-3820	-	1,368,114
Elementary and Secondary School Emergency Relief (ESSER) Fund (CARES)	84.425D	5890-21-3820	-	8,167,486
			<u>-</u>	<u>9,535,600</u>
Total U.S. Department of Education			<u>-</u>	<u>29,719,077</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 36,639,741</u>

N/A - Information not available.

See independent auditors' report and notes to schedule of expenditures of federal awards.

Yonkers City School District, New York

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

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, 2021. 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. Pass-through identifying numbers are presented where available.

Note 3 - Indirect Cost Rate

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Yonkers City School District, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

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 X No
___ Yes X None reported

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major federal programs:

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

___ Yes X No
___ Yes X 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 X No

Identification of major federal programs:

Assistance

Listing Number(s)

Name of Federal Program or Cluster

	Child Nutrition Cluster
10.555	National School Lunch Program - Commodities
10.555	National School Lunch Program - Cash
10.559	Summer Food Service Program for Children
84.367	Supporting Effective Instruction State Grants
84.425C	Governor's Emergency Education Relief Fund (GEER)
84.425D	Elementary and Secondary School Emergency Relief Fund (ESSER)

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,099,192

Auditee qualified as low-risk auditee?

X Yes ___ No

Yonkers City School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year ended June 30, 2021

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

Yonkers City School District, New York

Summary Schedule of Prior Audit Findings
Year ended June 30, 2021

None