

Yonkers City School District, New York

Financial Statements and
Supplementary Information

Year Ended June 30, 2023

Yonkers City School District, New York

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Yonkers City School District, New York ("School District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District, as of June 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Information

Our audit for the year ended June 30, 2023 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* 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 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.

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, 2022 (not presented herein), and have issued our report thereon dated December 8, 2022 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, 2022 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 related directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information was subjected to the audit procedures applied in the audit of the 2022 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, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2023 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 7, 2023

Yonkers City School District, New York

Management's Discussion and Analysis (MD&A) June 30, 2023

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, 2023. 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

- At June 30, 2023, liabilities and deferred inflows of resources, per the District-wide financial statements exceeded total assets and deferred outflows of resources by \$1.6 billion. The decrease in deficit net position was primarily caused by the School District's reporting of other postemployment benefits in accordance with GASB 75 and changes in Total OPEB liability.
- The School District's 2022-2023 actual revenue per the District-wide financial statements increased by \$43.5 million or 5.86% from the prior year of \$741.97 million to \$785.47 million.
- The School District's 2022-2023 actual expenses per the District-wide financial statements increased by \$80.1 million or 11.9% from the prior year of \$672.35 million to \$752.47 million.
- The School District's total capital assets were \$417.4 million, an increase of \$36.1 million or 9.48%. The combined depreciation and amortization expense for all activities was \$15.9 million.
- The School District had \$303.6 million in general obligation bonds and \$37.1 million in other long-term debt outstanding. The net pension asset of 2021-2022 became a net pension liability of \$77.9 million in 2022-2023.

Fund Financial Statement Overview

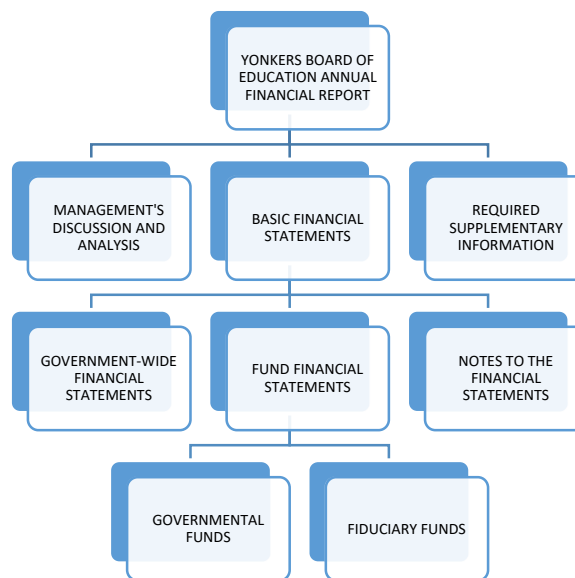
- As of the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$164.5 million at June 30, 2023, an increase of \$28.2 million.
- The change in Fund Balance for the School District's General Fund was \$13.1 million. This increase was driven primarily by additional revenue from local and state sources which was offset by lower than anticipated expenditures in General Support, Instruction and Employee benefits.
- The total revenue and other financing sources for all governmental funds was \$868.9 million, an increase of \$60.8 million or 7.5%.
- General Fund revenues (including operating transfers in) increased by \$32.2 million from the prior year of \$616.9 million to \$649.1 million.

- The total expenditures and other financing uses for all governmental funds was \$840.7 million , an increase of \$60.3 million or 7.7%.
- General Fund expenditures (including operating transfers out) increased by \$35.5 million from the prior year of \$600.4 million to \$635.9 million.

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 capital assets or long-term liabilities included	Assets/liability/deferred inflow, both short-term and long-term; funds do not currently contain capital assets, although they can
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 (\$1.597) billion at the close of the most recent fiscal year, compared to negative (\$1.630) billion in the prior year, for a decrease in the deficit of \$33 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 2023</u>	<u>Fiscal Year 2022</u>	<u>Amount Change</u>	<u>Percent Change</u>
Current and Other Assets	\$ 286,869,507	\$ 525,717,942	\$ (238,848,435)	(45.43%)
Capital Assets	417,435,459	381,286,529	36,148,930	9.48%
Total Assets	<u>704,304,966</u>	<u>907,004,471</u>	<u>(202,699,505)</u>	<u>(22.35%)</u>
Deferred Outflows of Resources	<u>383,894,010</u>	<u>442,239,437</u>	<u>(58,345,427)</u>	<u>(13.19%)</u>
Current Liabilities	123,108,463	107,846,843	15,261,620	14.15%
Long-term Liabilities	1,885,817,945	1,788,499,230	97,318,715	5.44%
Total Liabilities	<u>2,008,926,408</u>	<u>1,896,346,073</u>	<u>112,580,335</u>	<u>5.94%</u>
Deferred Inflows of Resources	<u>676,414,228</u>	<u>1,083,039,707</u>	<u>(406,625,479)</u>	<u>(37.54%)</u>
Net Position:				
Net Investment in Capital Assets	182,083,094	180,883,109	1,199,985	0.66%
Restricted	6,945,503	4,113,063	2,832,440	68.86%
Unrestricted	<u>(1,786,170,257)</u>	<u>(1,815,138,044)</u>	<u>28,967,787</u>	<u>(1.60%)</u>
Total Net Position	<u>\$ (1,597,141,660)</u>	<u>\$ (1,630,141,872)</u>	<u>\$ 33,000,212</u>	<u>(2.02%)</u>

In Table I, total assets decreased by \$202.7 million, or 22.3%. 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 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. Please see Note 3E of the financial statements for more information on these pension items.

Total liabilities increased by \$112.6 million, or 5.9%. The increase in liabilities was predominantly the result of the School District's accounting and financial reporting for Net Pension Liability, which required the recording of an additional liability of \$77.8 million. In the prior year, a net pension asset of \$282.4 million was recorded.

Table II –Change in Net Position

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Amount Change</u>	<u>Percent Change</u>
Revenue:				
Charges for Service	\$ 704,003	\$ 599,787	\$ 104,216	17.38%
Operating grants and contributions	128,564,439	119,229,146	9,335,293	7.83%
Capital grants and contributions	3,292,036	2,635,346	656,690	24.92%
General Revenue:				
Contribution from City of Yonkers	287,976,877	283,050,379	4,926,498	1.74%
Unrestricted State aid	362,611,733	333,741,520	28,870,213	8.65%
Miscellaneous	2,322,203	2,710,775	(388,572)	(14.33%)
Total Revenue	<u>785,471,291</u>	<u>741,966,953</u>	<u>43,504,338</u>	<u>5.86%</u>
Expenses:				
General Support	92,323,472	76,767,521	15,555,951	20.26%
Instruction	582,074,138	524,051,624	58,022,514	11.07%
Transportation	57,081,651	51,934,210	5,147,441	9.91%
Community Services	177,619	461,406	(283,787)	(61.50%)
Cost of Sales - Food	11,253,748	10,496,100	757,648	7.22%
Other	898,011	886,410	11,601	1.31%
Interest on Long-Term Debt	8,662,440	7,748,563	913,877	11.79%
Total Expenses	<u>752,471,079</u>	<u>672,345,834</u>	<u>80,125,245</u>	<u>11.92%</u>
Change in Net Position	33,000,212	69,621,119	(36,620,907)	(52.60%)
Net Position - Beginning	<u>(1,630,141,872)</u>	<u>(1,699,762,991)</u>	69,621,119	4.10%
Net Position - Ending	<u>\$ (1,597,141,660)</u>	<u>\$ (1,630,141,872)</u>	<u>\$ 33,000,212</u>	<u>2.02%</u>

In Table II, the School District's total revenues were \$785.5 million, an increase of \$43.5 million or 5.9%. The total cost of all programs and services was \$752.5 million, an increase of \$80.1 million or 11.92%.

The major increases in revenue were the result of increases of \$9.3 million in Operating grants and contributions, \$4.9 million in the Contribution from City of Yonkers and \$28.9 million in Unrestricted State aid.

The increase of \$9.3 million in Operating grants and contributions was primarily attributed to the increase in federal grant funding of \$8.9 million for the American Rescue Plan (ARP), Elementary Secondary School Education Relief Plan (ESSR) and No Child Left Behind (NCLB).

The \$4.9 million increase in the Contribution from the City of Yonkers is derived from a \$5.1 million increase from Property/School Tax and Sales Tax revenue offset by a decrease of \$131,095 in Debt Service Revenue.

The Unrestricted State Aid increase of \$28.9 million is comprised primarily of a \$13 million increase in Foundation Aid phase in, \$13 million in Transportation Aid, and \$4.0 million in Excess cost aid. This was offset by a decrease in Charter School Transitional and Career Education Aid of \$1.5 million.

The General Support increase of \$15.6 million is derived mainly from the increases of \$3.5 million from Transportation, staffing and tuition, and a net increase \$9.9 million due to reporting postemployment benefits in accordance with GASB 68.

The \$58 million Instruction increase is mainly attributed to the increases in athletic and grant funded transportation of \$1.9 million, tuition of \$8.3 million due to tuition rate changes, staff salary change of \$2.8 million, grant fund expense of \$9 million, and a net increase of \$22.8 million due to reporting postemployment benefits in accordance with GASB 68.

The Transportation increase of \$5.1 million is attributed to the increase in Special Education transportation expense of \$6 million offset by a reduction in regular transportation of \$1 million.

Table III –Revenue Sources for 2023:

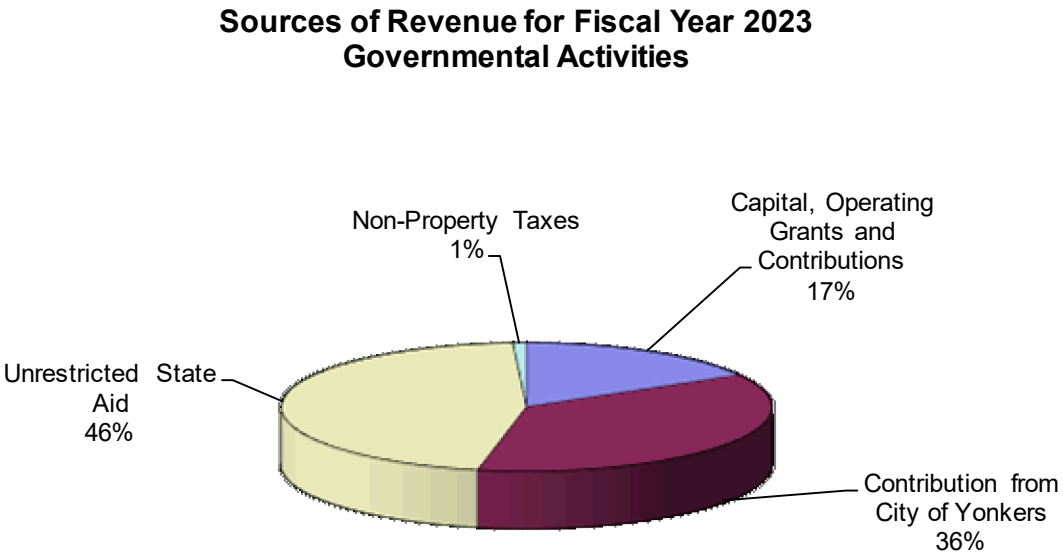
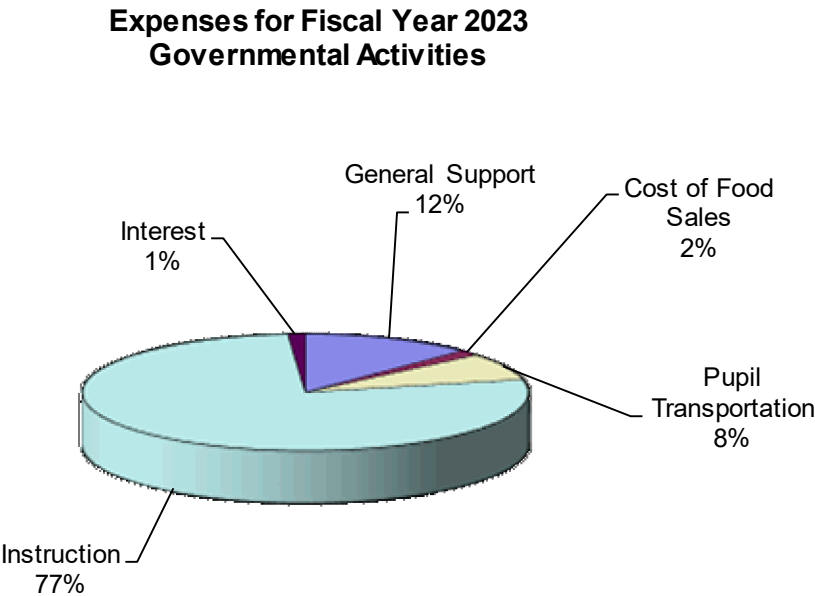


Table IV – Sources of Expenses for 2023:



FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

Variances between years for the governmental fund financial statements are not the same as variances 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 variances 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	\$ 262,428,866	\$ 262,428,866	\$ 263,846,956	\$ -	\$ 1,418,090
State Sources	378,910,975	379,160,975	383,290,275	-	4,129,300
Federal Sources	670,000	670,000	1,350,639	-	680,639
Interfunds Revenue	407,104	407,104	585,465	-	178,361
Total	642,416,945	642,666,945	649,073,335	-	6,406,390
Expenditures:					
General Support	52,838,401	50,754,281	47,472,119	418,227	2,863,935
Instruction	375,635,539	367,894,910	360,417,343	383,793	7,093,774
Transportation	50,223,139	53,948,539	53,222,304	-	726,235
Employee Benefits	169,636,076	173,507,076	168,229,384	-	5,277,692
Debt Service	1,670,993	3,776,607	3,776,606	-	1
Transfers Out	2,552,550	2,925,285	2,875,112	-	50,173
Total Expenditures	652,556,698	652,806,698	635,992,868	802,020	16,011,810
Revenue Over (under) Expenditures	\$ (10,139,753)	\$ (10,139,753)	\$ 13,080,467	\$ (802,020)	\$ 22,418,200

The School District considers budget variances of 10% and \$1 million to be significant. The following variances occurred during 2023:

Revenue

- The General Fund ended 2022-23 with a \$6.4 million operating revenues surplus in contrast to a \$2.2 million surplus in the prior year.
- The Local and Miscellaneous Sources surplus of \$1.4 million is \$943,122 of cancellation of accrued liabilities and \$416,835 for Miscellaneous Revenue. The cancelations for tuitions and miscellaneous revenue was higher than budgeted. The cancelation of accrued liabilities and miscellaneous revenue are difficult to budget with certainty and are subject to fluctuations from year to year.
- State Aid increase of \$4.1 million is mostly comprised of Basic formula aid of \$5.2 and is offset by Lottery Aid of \$1.2 million below budget.
- The surplus of \$680,639 in Federal sources is the result of increased Federal Medicaid Assistance. The additional Medicaid Revenue of \$687,066 is attributed to the increase in services and billing processes. Impact Aid came in lower than expected budget amount by \$6,427. The Federal Medicaid Revenue is difficult to budget with certainty and are subject to enrollment fluctuations from year to year.

Expenditures

- General support, which encompasses Board of Education, Central Administration, Finance and Central Services and Special Items had a favorable variance of \$2.9 million compared to the revised budget. Savings in Operations is attributed to Maintenance of Plant (a component of Central services), had significant savings in equipment, fuel oil, electricity, building repairs, materials and supply of \$2 million as a result of amended contracts and favorable oil pricing and weather conditions. In addition, salary savings (staff turnover, vacancies) of \$263,406 and GASB 87 lease reallocation of \$639,532 contributed to the favorable variance.
- Instruction savings of \$7.1 million are comprised of \$360,983 in Instruction Administration and Improvements, \$3.1 million in Teaching – Regular schools, \$1.7 million in Programs for Students with Disabilities, \$171,913 in Occupation Education, \$340,893 in Instructional Media, and \$1.4 million in Pupil Services. These savings are derived from staff turnover, vacancies, amended contracts, and tuition savings.
- The \$5.3 million favorable variance for Employee Benefits consisted of \$202,142 in State and Local Retirement System (ERS), \$1.3 million in Teachers retirement (TRS), \$392,295 in Social Security and \$3.1 million in Health Insurance costs. These savings were 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:	Fiscal Year 2023	Fiscal Year 2022	Amount Change	Percent Change
Land	\$ 14,302,848	\$ 14,302,848	\$ -	-
Construction in Progress	116,367,236	90,787,562	25,579,674	28.18%
Building and Improvements	276,708,161	268,632,084	8,076,077	3.01%
Machinery and Equipment	1,479,661	1,160,352	319,309	27.52%
Right-to-use leased Building & Equipment	8,577,553	6,403,683	2,173,870	33.95%
Total	<u>\$ 417,435,459</u>	<u>\$ 381,286,529</u>	<u>\$ 36,148,930</u>	<u>9.48%</u>

As of June 30, 2023, the School District had \$417.4 million invested in a broad range of capital assets including land, buildings, vehicles, athletic facilities, computers, and other educational equipment. The implementation of the GASB 87 resulted in a net of amortization asset of \$8.6 million for the Right-to-Use Leased building and equipment.

The School District continued its major renovation projects at a number of different schools during the school year, expending \$53.9 million in construction costs, between the District Capital Projects Fund and YJSCB. \$23.8 million for the New Community School – Justice Sonia Sotomayor Community School accounted for the major portion of capital expenditures. Other capital projects included reconstruction, building envelope restoration, roof, doors, boiler replacement, HVAC upgrades and other site upgrades of \$6.2 million PS#29 Westchester Hills School, \$2.2 million Pearls Hawthorne School, \$2 million PS #15 Paideia School and \$4 million for high tech security upgrades at PS #27 Montessori, Cross Hill Academy, Yonkers Middle/High School and Roosevelt High School Early College Studies.

The remaining \$15.7 million is attributable to other various 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

	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Amount Change</u>	<u>Percent Change</u>
Category:				
General Obligation Bonds & Premium	\$ 303,649,976	\$ 264,249,739	\$ 39,400,237	14.91%
State Loan Payable	1,400,000	1,600,000	(200,000)	(12.50%)
Note Payable - ESCO	2,267,961	3,834,892	(1,566,931)	(40.86%)
Leases Payable	8,771,668	6,539,583	2,232,085	34.13%
Due to Retirement Systems	4,937,998	8,688,724	(3,750,726)	(43.17%)
Compensated Absences	19,735,639	19,123,651	611,988	3.20%
Net Pension Liability	77,850,117	-	77,850,117	100.00%
Other Post Employment Benefits	1,467,204,586	1,484,462,641	(17,258,055)	(1.16%)
	<u>\$ 1,885,817,945</u>	<u>\$ 1,788,499,230</u>	<u>\$ 97,318,715</u>	<u>5.44%</u>

As of June 30, 2023, the School District had \$303.6 million in general obligation bonds and \$37.1 million in other long-term debt outstanding. The net pension asset of 2021-2022 became a net pension liability of \$77.9 million in 2022-2023. In addition, the other postemployment benefits obligation of \$1.5 billion is 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 41% 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. Indicated in the City's Financial Plan, there is a projected loss of revenue as a result of Federal grant termination in 2023-2024 school year that will manifest in reduced Federal revenue in the 2024-2025 school year budget for the School District.

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 (YJSCB) 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. YJSCB Phase IA is the modernization of St. Denis to the New Community School 35. The YJSCB Capital and Debt Service funds for the 2022-2023 school year are presented in these financial statements as a blended component unit.

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, 2023

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 143,798,567
Investments	33,602,126
Receivables	
Accounts	3,615,328
State and Federal aid	99,503,292
Due from City of Yonkers	5,859,937
Inventories	490,257
Capital assets	
Not being depreciated	130,670,084
Being depreciated/amortized, net	286,765,375
Total Assets	<u>704,304,966</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding bonds	1,893,207
Pension related	187,606,296
OPEB related	194,394,507
Total Deferred Outflows of Resources	<u>383,894,010</u>
LIABILITIES	
Accounts payable	38,695,505
Accrued liabilities	44,392,964
Unearned revenue	1,776,533
Due to other governments	833,064
Due to retirement systems	34,242,073
Overpayments	893,673
Accrued interest payable	2,274,651
Non-current liabilities	
Due within one year	27,520,997
Due in more than one year	1,858,296,948
Total Liabilities	<u>2,008,926,408</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	16,131,451
OPEB related	660,282,777
Total Deferred Inflows of Resources	<u>676,414,228</u>
NET POSITION	
Net investment in capital assets	182,083,094
Restricted for	
Capital projects	875,334
Debt service	5,325,841
Special purpose	
Extraclassroom activities	277,367
Other	466,961
Unrestricted	(1,786,170,257)
Total Net Position	<u>\$ (1,597,141,660)</u>

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

Yonkers City School District, New York

Statement of Activities
Year Ended June 30, 2023

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	\$ 92,323,472	\$ 247,839	\$ 1,171,601	\$ -	\$ (90,904,032)
Instruction	582,074,138	400,648	110,960,902	1,938,159	(468,774,429)
Pupil transportation	57,081,651	-	2,173,829	-	(54,907,822)
Community services	177,619	-	183,821	-	6,202
Cost of food sales	11,253,748	55,516	13,155,985	-	1,957,753
Other	898,011	-	918,301	-	20,290
Interest	8,662,440	-	-	1,353,877	(7,308,563)
Total Governmental Activities	<u>\$ 752,471,079</u>	<u>\$ 704,003</u>	<u>\$ 128,564,439</u>	<u>\$ 3,292,036</u>	<u>(619,910,601)</u>
General revenues					
Contribution from City of Yonkers					287,976,877
Sale of property and compensation for loss					6,153
Unrestricted State aid					362,611,733
Miscellaneous					<u>2,316,050</u>
Total General Revenues					<u>652,910,813</u>
Change in Net Position					33,000,212
Net Position - Beginning					<u>(1,630,141,872)</u>
Net Position - Ending					<u>\$ (1,597,141,660)</u>

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, 2023

	General	Special Aid	Capital Projects
ASSETS			
Cash and equivalents	\$ 93,521,192	\$ 2,988,135	\$ -
Investments	-	-	33,602,126
Receivables			
Accounts	2,441,487	-	989,770
State and Federal aid	77,398,564	21,136,181	-
Due from City of Yonkers	-	-	478,596
Due from other funds	28,051,427	-	42,963
Inventories	-	-	-
Total Assets	\$ 201,412,670	\$ 24,124,316	\$ 35,113,455
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 33,395,198	\$ 2,321,043	\$ 1,510,564
Accrued liabilities	42,571,972	893,260	795,201
Unearned revenue	-	1,776,533	-
Due to other governments	833,064	-	-
Due to retirement systems	34,242,073	-	-
Due to other funds	3,970,337	19,133,480	1,462,275
Overpayments	893,673	-	-
Total Liabilities	115,906,317	24,124,316	3,768,040
Deferred inflows of resources			
Deferred revenues	1,547,827	-	-
Total Liabilities and Deferred Inflows of Resources	117,454,144	24,124,316	3,768,040
Fund balances			
Nonspendable	-	-	-
Restricted	-	-	31,345,415
Assigned	33,063,236	-	-
Unassigned	50,895,290	-	-
Total Fund Balances	83,958,526	-	31,345,415
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 201,412,670	\$ 24,124,316	\$ 35,113,455

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

YJSCB Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 38,970,057	\$ 8,319,183	\$ 143,798,567
-	-	33,602,126
171,542	12,529	3,615,328
-	968,547	99,503,292
-	5,381,341	5,859,937
-	5,338,803	33,433,193
-	490,257	490,257
<u>\$ 39,141,599</u>	<u>\$ 20,510,660</u>	<u>\$ 320,302,700</u>
\$ 1,200,721	\$ 267,979	\$ 38,695,505
-	132,531	44,392,964
-	-	1,776,533
-	-	833,064
-	-	34,242,073
1,309,008	7,558,093	33,433,193
-	-	893,673
<u>2,509,729</u>	<u>7,958,603</u>	<u>154,267,005</u>
-	-	1,547,827
<u>2,509,729</u>	<u>7,958,603</u>	<u>155,814,832</u>
-	490,257	490,257
36,631,870	6,070,169	74,047,454
-	5,991,631	39,054,867
-	-	50,895,290
<u>36,631,870</u>	<u>12,552,057</u>	<u>164,487,868</u>
<u>\$ 39,141,599</u>	<u>\$ 20,510,660</u>	<u>\$ 320,302,700</u>

Yonkers City School District, New YorkReconciliation of the Governmental Funds Balance Sheet to
the District-Wide Statement of Net Position
June 30, 2023

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

Total Fund Balances - Total Governmental Funds	<u>\$ 164,487,868</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Capital assets - non-depreciable	130,670,084
Capital assets - depreciable/amortizable	520,567,530
Accumulated depreciation/amortization	<u>(233,802,155)</u>
	<u>417,435,459</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	187,606,296
Deferred outflows - OPEB related	194,394,507
Deferred inflows - pension related	(16,131,451)
Deferred inflows - OPEB related	<u>(660,282,777)</u>
	<u>(294,413,425)</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	(2,274,651)
Bonds payable	(270,280,000)
Notes payable	(2,267,961)
State loan payable	(1,400,000)
Leases payable	(8,771,668)
Retirement incentives and other pension liabilities	(4,937,998)
Compensated absences	(19,735,639)
Net pension liability	(77,850,117)
Other post employment benefit liability	<u>(1,467,204,586)</u>
	<u>(1,854,722,620)</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	1,893,207
Premium on bonds	<u>(33,369,976)</u>
	<u>(31,476,769)</u>
Net Position of Governmental Activities	<u><u>\$ (1,597,141,660)</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, 2023

	General	Special Aid	Capital Projects	YJSCB Capital Projects
REVENUES				
Charges for services	\$ 400,648	\$ -	\$ -	\$ -
Use of money and property	247,839	-	-	-
Sale of property and compensation for loss	6,153	-	-	-
Interfund revenues	585,465	-	-	-
State aid	383,290,275	30,130,945	1,239,768	-
Federal aid	1,350,639	61,964,280	-	-
Food sales	-	-	-	-
Miscellaneous	2,316,050	365,747	-	-
Total Revenues	388,197,069	92,460,972	1,239,768	-
EXPENDITURES				
Current				
General support	47,472,119	1,171,602	-	-
Instruction	360,417,343	87,100,605	-	-
Pupil transportation	53,222,304	2,173,830	-	-
Community services	-	183,818	-	-
Employee benefits	168,229,384	3,653,218	-	-
Cost of food sales	-	-	-	-
Other	-	-	-	-
Debt service				
Principal	3,454,928	-	-	-
Interest	321,678	-	-	-
Refunding bond issuance cost	-	-	-	-
Capital outlay	-	-	30,142,472	23,783,885
Total Expenditures	633,117,756	94,283,073	30,142,472	23,783,885
Deficiency of Revenues Over Expenditures	(244,920,687)	(1,822,101)	(28,902,704)	(23,783,885)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Insurance recoveries	-	-	698,391	-
Bonds issued	-	-	9,375,000	46,240,000
Issuance premium	-	-	748,538	3,819,560
Leases issued	-	-	4,120,082	-
Contribution from City of Yonkers	260,876,266	-	-	-
Transfers in	-	1,822,101	-	-
Transfers out	(2,875,112)	-	-	(2,116,377)
Total Other Financing Sources	258,001,154	1,822,101	14,942,011	47,943,183
Net Change in Fund Balances	13,080,467	-	(13,960,693)	24,159,298
FUND BALANCES (DEFICITS)				
Beginning of Year	70,878,059	-	45,306,108	12,472,572
End of Year	\$ 83,958,526	\$ -	\$ 31,345,415	\$ 36,631,870

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

Non-Major Governmental	Total Governmental Funds
\$ -	\$ 400,648
1,356,378	1,604,217
-	6,153
-	585,465
229,728	414,890,716
12,921,387	76,236,306
55,516	55,516
920,670	3,602,467
15,483,679	497,381,488
-	48,643,721
-	447,517,948
-	55,396,134
-	183,818
2,150,808	174,033,410
8,563,401	8,563,401
898,011	898,011
18,645,000	22,099,928
10,560,832	10,882,510
147,271	147,271
-	53,926,357
40,965,323	822,292,509
(25,481,644)	(324,911,021)
12,045,000	12,045,000
(13,408,150)	(13,408,150)
-	698,391
-	55,615,000
1,510,421	6,078,519
-	4,120,082
27,100,611	287,976,877
3,169,388	4,991,489
-	(4,991,489)
30,417,270	353,125,719
4,935,626	28,214,698
7,616,431	136,273,170
\$ 12,552,057	\$ 164,487,868

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, 2023

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

Net Change in Fund Balances - Total Governmental Funds	\$ 28,214,698
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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/amortization expense.

Capital outlay expenditures	52,022,156
Depreciation/amortization expense	<u>(15,873,226)</u>
	<u>36,148,930</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	(55,615,000)
Refunding bonds issued	(12,045,000)
Payment to refunded bond escrow agent	13,408,150
Issuance premium	(6,078,519)
Principal paid on bonds	18,445,000
Principal paid on notes	1,566,931
Principal paid on State loan	200,000
Leases issued	(4,120,082)
Principal paid on leases	<u>1,887,997</u>
	<u>(42,350,523)</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	101,065
Compensated absences	(611,988)
Retirement incentives and other pension liabilities	3,750,726
Changes in pension liabilities and related deferred outflows and inflows of resources	(17,126,988)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	22,755,287
Amortization of premium and loss of refunding bonds	<u>2,119,005</u>
	<u>10,987,107</u>

Change in Net Position of Governmental Activities	<u><u>\$ 33,000,212</u></u>
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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, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$ 531,000	\$ 531,000	\$ 400,648	\$ (130,352)
Use of money and property	160,000	160,000	247,839	87,839
Sale of property and compensation for loss	1,600	1,600	6,153	4,553
Interfund revenues	407,104	407,104	585,465	178,361
State aid	378,910,975	379,160,975	383,290,275	4,129,300
Federal aid	670,000	670,000	1,350,639	680,639
Miscellaneous	860,000	860,000	2,316,050	1,456,050
Total Revenues	381,540,679	381,790,679	388,197,069	6,406,390
EXPENDITURES				
Current				
General support	52,838,401	50,754,281	47,472,119	3,282,162
Instruction	375,635,539	367,894,910	360,417,343	7,477,567
Pupil transportation	50,223,139	53,948,539	53,222,304	726,235
Community services	-	-	-	-
Employee benefits	169,636,076	173,507,076	168,229,384	5,277,692
Debt service				
Principal	1,566,932	3,454,929	3,454,928	1
Interest	104,061	321,678	321,678	-
Total Expenditures	650,004,148	649,881,413	633,117,756	16,763,657
Deficiency of Revenues Over Expenditures	(268,463,469)	(268,090,734)	(244,920,687)	23,170,047
OTHER FINANCING SOURCES (USES)				
Contribution from City of Yonkers	260,876,266	260,876,266	260,876,266	-
Transfers in	-	-	-	-
Transfers out	(2,552,550)	(2,925,285)	(2,875,112)	50,173
Total Other Financing Sources	258,323,716	257,950,981	258,001,154	50,173
Net Change in Fund Balances	(10,139,753)	(10,139,753)	13,080,467	23,220,220
FUND BALANCES (DEFICITS)				
Beginning of Year	10,139,753	10,139,753	70,878,059	60,738,306
End of Year	\$ -	\$ -	\$ 83,958,526	\$ 83,958,526

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
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
34,637,979	34,289,677	30,130,945	(4,158,732)
64,426,116	67,481,938	61,964,280	(5,517,658)
410,559	410,559	365,747	(44,812)
99,474,654	102,182,174	92,460,972	(9,721,202)
1,184,826	1,207,672	1,171,602	36,070
93,105,819	96,534,017	87,100,605	9,433,412
2,931,000	2,560,000	2,173,830	386,170
267,633	267,633	183,818	83,815
3,480,587	3,480,587	3,653,218	(172,631)
-	-	-	-
-	-	-	-
100,969,865	104,049,909	94,283,073	9,766,836
(1,495,211)	(1,867,735)	(1,822,101)	45,634
-	-	-	-
1,495,211	1,867,735	1,822,101	(45,634)
-	-	-	-
1,495,211	1,867,735	1,822,101	(45,634)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

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

Note 1 - Summary of Significant Accounting Policies (Continued)

legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component unit is included in the School District's reporting entity because of its operational or financial relationship within the School District.

The Yonkers Joint Schools Construction Board ("YJSCB") was established on January 28, 2019 and operates pursuant to Chapter 355 of the Laws of 2016 of the State of New York known as the Yonkers City School District Joint Schools Construction and Modernization Act (the "Modernization Act"). The voting members of the YJSCB ("Members") is the legislative body responsible for overall operation of the YJSCB. The Chair serves as the chief executive officer. The YJSCB's primary function is to provide the City and the School District with increased flexibility to meet the needs of its school children by providing alternative financing for the new school facilities and the modernization of existing school facilities in Yonkers. The YJSCB is comprised of nine voting members, consisting of the Mayor of the City, the President of the Board, the Superintendent of the School District, a designee of the Yonkers Council of Parent Teachers Association, a designee of the City Council majority party, a designee of the City Council minority party and 3 individuals, jointly designated by the Mayor of the City and the Superintendent of the School District. Each member other than the Mayor of the City, the President of the Board and the Superintendent of the School District serve at the pleasure of the designating official(s).

The Modernization Act authorized the YJSCB to develop and maintain a comprehensive joint schools construction and modernization plan for the School District's public schools (the "Program"). The Program was adopted by the School District on July 17, 2019 and was approved by the Commissioner of Education of the State of New York (the "Commissioner") on April 29, 2021 in accordance with the Modernization Act. The Modernization Act provides that phase one of the Program will consist of construction of up to three new schools along with critical infrastructure system replacements at the existing schools to maintain safe operation of the existing schools until future renovations are made as part of the Program.

The New Community School Project ("Project") is being undertaken as part of phase one of the Program and is the first Project undertaken pursuant to the Program. The Project consists of the (i) acquisition of real property located at 121 McLean Avenue and 469-470 Van Cortlandt Park Avenue in the City, as well any additional parcel(s) as may be required, including for offsite parking, (ii) demolition of three existing buildings thereon, and (iii) construction and equipping thereon of a new Pre-K to 8th grade public school including a 4-story Academic Building, a Community Building, playground, parking lot and related improvements. The total estimated project cost of the Project is approximately \$79 million.

Financing for the Project is being provided through the issuance of School Facility Revenue Bonds as discussed in Note 3E.

In accordance with GASB guidance, the YJSCB's financial statements have been blended with the School District's financial statements because the YJSCB benefits the School District almost exclusively.

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, 2023 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

YJSCB Capital Projects Fund – The YJSCB 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 acquired or constructed by the YJSCB.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

principal and interest, and for financial resources that are being accumulated for principal and interest maturing in future years.

YJSCB Debt Service Fund - The YJSCB 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 relating to the YJSCB.

- 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 liabilities, compensated absences, net pension liability and other postemployment 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. Issuances of long-term debt are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Cash and Equivalents, Investments and Risk Disclosure

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.

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.

The School District's cash and investments are pooled with the City. The City utilizes a pooled investment concept for all governmental funds to facilitate its investment program. Investment income from this pooling is allocated to the respective funds based upon the sources of funds invested.

The YJSCB's deposits and investment policies are governed by the Indenture of Trust (see Note 3E). The YJSCB is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

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.

Permissible investments for the YJSCB under the Indenture of Trust include obligations of the U.S. Treasury, U.S. Agencies, commercial paper, money market funds rated AAm or AAm-G or better, repurchase agreements, obligations of New York State or its political subdivisions and investment agreements with a bank.

Cash equivalents for the YJSCB as of June 30, 2023 consist of money market mutual funds valued at \$40,720,241. The fund is rated AAAM by Standard and Poor's and are valued using level one inputs.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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. The detail of these investments and their related risks are described in Note 3A.

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, 2023.

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.

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, 2023, 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, 2023, balances of interfund amounts receivable or payable have been recorded.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 are tangible and intangible assets, which include property, plant and equipment, and 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 (except intangible right-to-use assets, which is discussed in note 3B) 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. Intangible assets follow the same capitalization policies as tangible assets and are reported with tangible assets in the appropriate capital asset class.

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. The other tangible and intangible property, plant and equipment and right-to-use assets of the School District are depreciated/amortized 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
Right-to-use building	2-6
Right-to-use equipment	3

The costs associated with the acquisition or construction of tangible and intangible 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 \$1,776,533 for State, Federal, and local aid received in advance in the Special Aid Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 assets 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 assets 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.

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 3E.

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

Leases - The School District is a lessee for noncancellable leases of buildings and equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset ("lease asset") in the district-wide financial statements. The School District recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the School District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

Note 1 - Summary of Significant Accounting Policies (Continued)

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise. The School District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

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 Postemployment 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.

Restricted net position consists of restricted assets and deferred outflows of resources 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 7, 2023.

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.
- c) The School District budget is referred to the City Council's Budget Committee for deliberations and hearings.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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 ("Budget Act"), reviews the City budget to determine the justification documents required. This Budget 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 Budget Act.
- h) Formal budgetary integration is employed during the year as a management control device for General, Special Aid, School Lunch and Debt Service funds.
- i) Budgets for General, Special Aid, School Lunch and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Special Purposes or YJSCB Debt Service Funds 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. New Accounting Pronouncement

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements (SBITA's)*", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the School District's fiscal year ended June 30, 2023. The School District has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Expenditures in Excess of Budget

The Special Aid Fund – Employee benefits exceeded its authorization by \$172,631.

D. Major Fund Presentation

The YJSCB Capital Projects fund has been reclassified as a major fund for the year ended June 30, 2023.

Note 3 - Detailed Notes on All Funds

A. Investments

Investments in the Capital Projects fund consist of U.S. Treasury bond State and Local Government Series (SLGS) maturing on December 31, 2049 and are measured using level one inputs.

B. Due From/To Other Funds

The composition of interfund balances at June 30, 2023 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 28,051,427	\$ 3,970,337
Special Aid	-	19,133,480
Capital Projects	42,963	1,462,275
YJSCB Capital Projects	-	1,309,008
Non-Major Governmental	5,338,803	7,558,093
	<u>\$ 33,433,193</u>	<u>\$ 33,433,193</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, 2023

Note 3 - Detailed Notes on All Funds (Continued)

C. Capital Assets

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

Class	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets, not being depreciated:				
Land	\$ 14,302,848	\$ -	\$ -	\$ 14,302,848
Construction-in-progress	90,787,562	47,383,749	21,804,075	116,367,236
Total Capital Assets, not being depreciated	<u>\$ 105,090,410</u>	<u>\$ 47,383,749</u>	<u>\$ 21,804,075</u>	<u>\$ 130,670,084</u>
Capital assets, being depreciated/amortized:				
Buildings and Improvements	\$ 482,161,120	\$ 21,804,075	\$ -	\$ 503,965,195
Machinery and Equipment	3,558,800	518,325	18,470	4,058,655
Right-to-use buildings	4,828,541	4,120,082	-	8,948,623
Right-to-use equipment	3,595,057	-	-	3,595,057
Total Capital Assets, being depreciated/amortized	<u>494,143,518</u>	<u>26,442,482</u>	<u>18,470</u>	<u>520,567,530</u>
Less Accumulated Depreciation/Amortization for:				
Buildings and Improvements	213,529,036	13,727,998	-	227,257,034
Machinery and Equipment	2,398,448	199,016	18,470	2,578,994
Right-to-use buildings	1,121,151	1,047,448	-	2,168,599
Right-to-use equipment	898,764	898,764	-	1,797,528
Total Accumulated Depreciation/Amortization	<u>217,947,399</u>	<u>15,873,226</u>	<u>18,470</u>	<u>233,802,155</u>
Total Capital Assets, being depreciated/amortized, net	<u>\$ 276,196,119</u>	<u>\$ 10,569,256</u>	<u>\$ -</u>	<u>\$ 286,765,375</u>
Capital Assets, net	<u>\$ 381,286,529</u>	<u>\$ 57,953,005</u>	<u>\$ 21,804,075</u>	<u>\$ 417,435,459</u>

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

General Support	\$ 6,350,228
Instruction	9,493,141
Cost of Food Sales	<u>29,857</u>
Total Depreciation/Amortization Expense	<u>\$ 15,873,226</u>

D. Accrued Liabilities

Accrued liabilities at June 30, 2023 were as follows:

	Fund				
	General	Special Aid	Capital Projects	Non-Major Governmental	Total
Payroll and Employee Benefits	\$ 12,049,916	\$ 588,473	\$ -	\$ 101,914	\$ 12,740,303
Tuition	5,205,707	247,982	-	-	5,453,689
Other	25,316,349	56,805	795,201	30,617	26,198,972
	<u>\$ 42,571,972</u>	<u>\$ 893,260</u>	<u>\$ 795,201</u>	<u>\$ 132,531</u>	<u>\$ 44,392,964</u>

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

E. Long-Term Liabilities

The following table summarizes changes in the School District's long-term liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2023	Due Within One-Year
Governmental Activities:					
Bonds Payable:					
General Obligation					
Capital Construction	\$ 190,195,000	\$ 21,420,000	\$ 26,195,000	\$ 185,420,000	\$ 14,000,000
Deficit Financing	14,080,000	-	4,460,000	9,620,000	4,690,000
	204,275,000	21,420,000	30,655,000	195,040,000	18,690,000
General Obligation - Direct Placement	5,000,000	-	1,000,000	4,000,000	1,000,000
School Facility Revenue Bonds	25,000,000	46,240,000	-	71,240,000	1,230,000
	234,275,000	67,660,000	31,655,000	270,280,000	20,920,000
Unamortized Premium on Bonds	29,974,739	6,078,519	2,683,282	33,369,976	-
	264,249,739	73,738,519	34,338,282	303,649,976	20,920,000
Notes Payable	3,834,892	-	1,566,931	2,267,961	1,492,390
State Loan Payable	1,600,000	-	200,000	1,400,000	200,000
Leases payable	6,539,583	4,120,082	1,887,997	8,771,668	1,983,008
Other Non-current Liabilities:					
Retirement Incentives and					
Other Pension Liabilities	8,688,724	-	3,750,726	4,937,998	979,599
Compensated Absences	19,123,651	2,524,353	1,912,365	19,735,639	1,946,000
Net Pension Liability - ERS	-	48,549,399	-	48,549,399	-
Net Pension Liability - TRS	-	29,300,718	-	29,300,718	-
Other Postemployment					
Benefit Liability	1,484,462,641	21,728,873	38,986,928	1,467,204,586	-
Total Other Non-current Liabilities	1,512,275,016	102,103,343	44,650,019	1,569,728,340	2,925,599
Governmental Activities					
Total Long-Term Liabilities	\$ 1,788,499,230	\$ 179,961,944	\$ 82,643,229	\$ 1,885,817,945	\$ 27,520,997

The liabilities for notes payable, leases, retirement incentives and other pension liabilities, compensated absences, net pension liabilities and other postemployment 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, 2023

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at June 30, 2023 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2023
General Obligation					
District-wide Construction	2012	\$ 26,590,000	August, 2025	3.000 %	\$ 7,575,000
District-wide Construction	2016	18,370,000	September, 2027	3.141-4.318	9,350,000
District-wide Construction	2016	15,525,000	November, 2036	3.0 - 5.000	11,775,000
District-wide Construction	2017	20,405,000	September, 2037	2.75 - 5.000	17,380,000
Refunding-Deficit Financing	2017	22,132,000	October, 2024	5.000	9,620,000
Refunding	2017	17,255,000	October, 2030	4.0 - 5.000	11,915,000
District-wide Construction	2019	52,775,000	May, 2039	4.0 - 5.000	48,180,000
District-wide Construction	2021	33,175,000	February, 2041	2.0 - 5.000	32,050,000
Refunding	2022	7,005,000	September, 2027	5.0	5,485,000
District-wide Construction	2022	21,675,000	March, 2042	4.0 - 5.000	21,675,000
Refunding	2023	12,045,000	October, 2029	5.0	10,660,000
District-wide Construction	2023	9,375,000	November, 2042	5.0	9,375,000
					<u>195,040,000</u>
General Obligation - Direct Placement					
Qualified School Construction Bonds	2011	15,000,000	December, 2026	5.750	<u>4,000,000</u>
School Facility Revenue Bonds					
Joint Schools Construction Board	2022	25,000,000	May, 2051	4.0 - 5.000	25,000,000
Joint Schools Construction Board	2023	46,240,000	May, 2051	5.0 - 5.250	<u>46,240,000</u>
					<u>71,240,000</u>
					<u>\$ 270,280,000</u>

Interest expenditures of \$8,560,817 were recorded in the fund financial statements in the Debt Service Fund and \$2,000,015 in the Yonkers Joint Schools Construction Board Debt Service Fund. Interest expense of \$8,363,340 was recorded in the district-wide financial statements.

The series 2021 and 2022 School Facility Revenue Bonds were issued pursuant to an Indenture of Trust ("New Community School Project") (the "Project") dated as of September 1, 2021, as amended and restated as of December 1, 2022 (the "Indenture") between the City of Yonkers Industrial Development Agency ("YIDA") and Manufacturers and Traders Trust Company, as Trustee (the "Trustee").

The proceeds of the bonds will be used to 1) finance the Project, 2) fund capitalized interest and (3) pay certain costs of issuance of the Bonds.

Note 3 - Detailed Notes on All Funds (Continued)

Pursuant to a License Agreement, dated as of September 1, 2021 (the "License Agreement"), among the YIDA, the City and the School District, the City and the School District granted a license to the YIDA to enter upon the Project Site for the purpose of undertaking, equipping and completing the Project (collectively, the "New Community School Facilities"). Concurrently therewith, the YIDA sold and assigned its license interest under the License Agreement in the New Community School Facilities to the School District and the City pursuant to the Installment Sale Agreement. Installment purchase Payments payable by the School District and the City under the Installment Sale Agreement will equal principal and interest due on the Series 2021 and 2022 Bonds, including any mandatory principal payments. Pursuant to the Modernization Act, the Board of Education for the School District is responsible for the maintenance and operation of the New Community School Facilities.

Principal of and interest on the School Facility Revenue Bonds are secured by: (i) Installment Purchase Payments to be made by the School District and the City under the Installment Sale Agreement; and (ii) the pledge of certain funds, including the Bond Fund under the Indenture. In the event the School District or the City fails to make an Installment Purchase Payment under the Installment Sale Agreement, the Modernization Act and the Indenture each provide that, upon receipt by the New York State Comptroller (the "State Comptroller") of a certificate from the Trustee on behalf of the YIDA as to the amount of any such failed payment, the State Comptroller shall withhold from the School District and the City any State Aid to Education payable to the City or the School District to the extent of the amount so certified, and shall immediately pay such amount to the Trustee on behalf of the Issuer.

The School District, the City and Manufacturers and Traders Trust Company, as depository bank (the "Depository"), have entered into a State Aid Depository Agreement, dated as of August 1, 2021 (the "State Aid Depository Agreement"). In accordance with the State Aid Depository Agreement, the Commissioner of Finance of the City (the "Commissioner of Finance") and the President of the Board of Education of the School District have instructed the State Comptroller to pay all State Aid to Education directly to a designated fund (the "State Aid Depository Fund") held with the Depository. Provided the City and the School District have made an appropriation for the payment of Installment Purchase Payments under the Installment Sale Agreement, amounts in the State Aid Depository Fund will be timely transferred to the Trustee for deposit in the Bond Fund established under the Indenture (and to each equivalent fund under each other bond indenture authorizing a series of Project Bonds), on a Ratable Basis (as defined in the State Aid Depository Agreement), toward the payment of the Series 2021 and 2022 Bonds and any other series of Project Bonds then outstanding, and any balance remaining will be transferred to the School District. The State Aid Depository Agreement provides that amounts in the State Aid Depository Fund will be transferred on a Ratable Basis by the Depository to all Bond Funds periodically from each December 1 until each March 31 of each Fiscal Year (the "Collection Period") and will serve as a credit against the obligation of the School District and the City to pay annual Installment Purchase Payments under all outstanding Installment Sale Agreements due on April 1 of each year. Although the State Aid Depository Agreement requires an immediate transfer of State Aid to Education from the State Aid Depository Fund to all Bond Funds during the Collection Period, amounts held in the State Aid Depository Fund are not subject to the lien of any Indenture and are not pledged as security for the payment of any Project Bonds, including the Series 2021 and 2022 Bonds, until such amounts have been received by the Trustee and deposited in a Bond Fund in accordance with the applicable Indenture.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2023 was \$1,533,533.

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, 2023 was \$734,428.

Interest expenditures of \$104,061 were recorded in the fund financial statement in the General Fund. Interest expense of \$81,483 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 enumerated in the statutes will reduce the accelerated portion by \$200,000 per year. This loan is interest free. Accordingly, at June 30, 2023, the School District has recorded a liability of \$1,400,000.

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.

Leases Payable

Leases payable at June 30, 2023 are comprised of the following individual agreements:

<u>Purpose</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at June 30, 2023</u>
Immaculate Conception Church Building	\$ 3,240,957	2026	3.75 %	\$ 960,102
Church of Christ the King Building	3,994,494	2028	3.75	1,999,435
60 Fullerton Avenue	4,120,082	2033	2.97	3,966,999
Equipment	2,225,858	2025	2.90	926,957
Equipment	2,204,767	2025	2.90	918,175
				<u>\$ 8,771,668</u>

Interest expenditures/expense of \$217,617 were recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

Refunding

During the current fiscal year, the School District issued \$12,045,000 in serial bonds with interest at 5.0%. The proceeds were used to refund \$13,210,000 of the 2014 Series D serial bonds bearing interest at rates at 3.0%. The net proceeds of \$13,408,150 (net of a \$1,510,421 re-offering premium and after payment of \$147,271 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2014 serial bonds. As a result, the 2014 serial bond is considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$198,150. As of June 30, 2023, the refunding bonds have been redeemed and are no longer outstanding.

The School District refunded the 2014 serial bonds to reduce its total debt service payments over 7 years by \$491,576 and to obtain a net present value economic gain of \$467,470.

Payments to Maturity

The annual requirements to amortize all outstanding bond, notes, State loan debt, and leases as of June 30, 2023, including interest payments of \$125,228,507 are as follows:

Year Ending June 30,	General Obligation Bonds		General Obligation Bonds - Direct Placement		School Facility Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 18,690,000	\$ 8,480,277	\$ 1,000,000	\$ 201,250	\$ 1,230,000	\$ 3,397,462	\$ 1,492,390	55,225
2025	19,185,000	7,421,863	1,000,000	143,750	1,295,000	3,335,962	775,571	18,023
2026	14,910,000	6,649,863	1,000,000	86,250	1,355,000	3,271,212	-	-
2027	12,925,000	6,004,288	1,000,000	28,750	1,430,000	3,203,462	-	-
2028	13,555,000	5,381,813	-	-	1,500,000	3,131,962	-	-
2029-2033	46,415,000	19,690,844	-	-	8,745,000	14,453,560	-	-
2034-2038	48,465,000	9,541,225	-	-	11,125,000	12,114,860	-	-
2039-2043	20,895,000	1,555,298	-	-	14,025,000	9,277,010	-	-
2044-2048	-	-	-	-	17,705,000	5,688,260	-	-
2049-2051	-	-	-	-	12,830,000	1,261,512	-	-
	<u>\$ 195,040,000</u>	<u>\$ 64,725,471</u>	<u>\$ 4,000,000</u>	<u>\$ 460,000</u>	<u>\$ 71,240,000</u>	<u>\$ 59,135,262</u>	<u>\$ 2,267,961</u>	<u>\$ 73,248</u>

Year Ending June 30,	State Loan	Leases		Total	
	Principal	Principal	Interest	Principal	Interest
2024	\$ 200,000	\$ 1,983,008	\$ 249,273	\$ 24,595,398	\$ 12,383,487
2025	200,000	2,076,046	183,771	24,531,617	11,103,369
2026	200,000	1,208,712	130,722	18,673,712	10,138,047
2027	200,000	956,920	92,834	16,511,920	9,329,334
2028	200,000	935,772	62,711	16,190,772	8,576,486
2029-2033	400,000	1,611,210	115,215	57,171,210	34,259,619
2034-2038	-	-	-	59,590,000	21,656,085
2039-2043	-	-	-	34,920,000	10,832,308
2044-2048	-	-	-	17,705,000	5,688,260
2049-2051	-	-	-	12,830,000	1,261,512
	<u>\$ 1,400,000</u>	<u>\$ 8,771,668</u>	<u>\$ 834,526</u>	<u>\$ 282,719,629</u>	<u>\$ 125,228,507</u>

The above general obligation bonds, notes payable and State loan 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. The School Facility Revenue Bonds are secured by installment purchase payments as described above.

Note 3 - Detailed Notes on All Funds (Continued)**Retirement Incentives and Other Pension Liabilities**

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, as noted below. The amount required to be amortized under this option during the 2022-23 fiscal year was \$4,035,117, including interest of \$284,391 and was charged to the General Fund. The balance due at June 30, 2023 was \$4,937,998.

	Original Amount Amortized	Current Year Payments	Principal Balance Due	Due Within One Year
2012-2013 ERS	\$ 4,122,338	\$ 481,481	\$ -	\$ -
2013-2014 ERS	5,112,072	2,034,584	-	-
2014-2015 ERS	5,861,562	1,003,059	1,831,527	545,088
2015-2016 ERS	2,059,587	209,899	956,724	179,091
2016-2017 ERS	1,213,378	116,774	655,968	102,357
2017-2018 ERS	867,826	86,295	549,103	70,992
2018-2019 ERS	272,754	27,988	196,596	21,344
2021-2022 ERS	805,241	75,037	748,080	60,727
	<u>\$ 20,314,758</u>	<u>\$ 4,035,117</u>	<u>\$ 4,937,998</u>	<u>\$ 979,599</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 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.

Note 3 - Detailed Notes on All Funds (Continued)

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 ERS plan year ended March 31, 2023 and TRS plan year ended June 30, 2023 are as follows:

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75E	15.7 %
	1 75I	17.5
	3 A14	13.1
	4 A15	13.1
	5 A15	11.2
	6 A15	8.3
	6 A15	8.3
TRS	1-6	10.29 %

At June 30, 2023, 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, 2023	June 30, 2022
Net pension liability	\$ 48,549,399	\$ 29,300,718
School Districts' proportion of the net pension liability	0.2264005 %	1.526961 %
Change in proportion since the prior measurement date	0.0113854 %	(0.001394) %

The net pension liability was measured as of March 31, 2023 for ERS and June 30, 2022 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, 2023, the School District recognized pension expense in the district-wide financial statements of \$54,176,738, \$17,651,003 for ERS and \$36,525,735 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	\$ 7,410,905	\$ 23,998,679
Special Aid	682,910	4,452,465
School Lunch	504,791	-
Total	<u>\$ 8,598,606</u>	<u>\$ 28,451,144</u>

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2023, 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	\$ 5,170,891	\$ 1,363,450	\$ 30,703,444	\$ 587,135
Changes of assumptions	23,578,719	260,589	56,838,437	11,803,158
Net difference between projected and actual earnings on pension plan investments	-	285,226	37,859,307	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	2,298,284	801,468	307,823	1,030,425
School District contributions subsequent to the measurement date	2,567,151	-	28,282,240	-
	<u>\$ 33,615,045</u>	<u>\$ 2,710,733</u>	<u>\$ 153,991,251</u>	<u>\$ 13,420,718</u>
	Total			
	Deferred Outflows of Resources	Deferred Inflows of Resources		
Differences between expected and actual experience	\$ 35,874,335	\$ 1,950,585		
Changes of assumptions	80,417,156	12,063,747		
Net difference between projected and actual earnings on pension plan investments	37,859,307	285,226		
Changes in proportion and differences between School District contributions and proportionate share of contributions	2,606,107	1,831,893		
School District contributions subsequent to the measurement date	30,849,391	-		
	<u>\$ 187,606,296</u>	<u>\$ 16,131,451</u>		

\$2,567,151 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 an a decrease of the net pension liability in the plan's year ended March 31, 2024. The \$28,282,240 reported as deferred outflows of resources related to TRS will be recognized as an a decrease of the net pension liability in the plan's year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and TRS will be recognized in pension expense as follows:

Year Ended	March 31, ERS	June 30, TRS
2023	\$ -	\$ 21,357,029
2024	6,793,025	11,250,731
2025	(2,130,661)	(4,806,862)
2026	10,206,672	74,443,129
2027	13,468,125	9,589,917
Thereafter	-	454,349
	<u>\$ 28,337,161</u>	<u>\$ 112,288,293</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, 2023	June 30, 2022
Actuarial valuation date	April 1, 2022	June 30, 2021
Investment rate of return	5.9% *	6.95% *
Salary scale	4.4%	1.95%-5.18%
Inflation rate	2.9%	2.4%
Cost of living adjustments	1.5%	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-2021. For TRS, annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021, 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, 2015 to June 30, 2020.

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.

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, 2023		TRS June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %	33 %	6.50 %
International Equity	15	6.85	16	7.20
Private Equity	10	7.50	8	9.90
Real Estate	9	4.60	11	6.20
Domestic Fixed Income Securities	-	-	16	1.10
Global Fixed Income Securities	-	-	2	0.60
High Yield Fixed Income Securities	-	-	1	3.30
Global Equities	-	-	4	6.90
Private Debt	-	-	2	5.30
Real Estate Debt	-	-	6	2.40
Opportunistic/ARS Portfolio	3	5.38	-	-
Credit	4	5.43	-	-
Real Assets	3	5.84	-	-
Fixed Income	23	1.50	-	-
Cash	1	-	1	(0.03)
	<u>100 %</u>		<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.9% for ERS and 2.4% for TRS.

The discount rate used to calculate the total pension liability was 5.9% for ERS and 6.95% 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 6.95% 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 5.95% for TRS) or 1 percentage point higher (6.9% for ERS and 7.95% for TRS) than the current rate:

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

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>\$ 117,323,072</u>	<u>\$ 48,549,399</u>	<u>\$ (8,919,007)</u>
	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
School District's proportionate share of the TRS net pension liability (asset)	<u>\$ 270,166,362</u>	<u>\$ 29,300,718</u>	<u>\$ (173,265,707)</u>

The components of the collective net pension liability as of the March 31, 2023 ERS measurement date and the June 30, 2022 TRS measurement date were as follows:

	ERS	TRS
Total pension liability	\$ 232,627,259,000	\$ 133,883,473,797
Fiduciary net position	<u>211,183,223,000</u>	<u>131,964,582,107</u>
Employers' net pension asset	<u>\$ 21,444,036,000</u>	<u>\$ 1,918,891,690</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</u>	<u>98.57%</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, 2023 represent the projected employer contribution for the period April 1, 2023 through June 30, 2023 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, 2023 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, 2023 represent employee and employer contributions for the fiscal year ended June 30, 2023 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, 2023 were \$2,567,151 to ERS and \$31,674,922 to TRS, including employee contributions of \$3,392,682.

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, 2023, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	2,580
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>3,084</u>
	<u><u>5,664</u></u>

The School District's total OPEB liability of \$1,467,204,586 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

The total OPEB liability in the July 1, 2021 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	4.0%
Healthcare cost trend rates	6.75% for 2024, decreasing 0.25% per year to an ultimate rate of 4.5% for 2033 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, 2023.

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-2021.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
 June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

The actuarial assumptions used in the July 1, 2021 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 2020 and 2021.

The School District's change in the total OPEB liability for the year ended June 30, 2023 is as follows:

Total OPEB Liability - Beginning of Year	\$ 1,484,462,641
Service cost	26,466,968
Interest	58,598,767
Changes in assumptions or other inputs	(63,336,862)
Benefit payments	<u>(38,986,928)</u>
Total OPEB Liability - End of Year	<u>\$ 1,467,204,586</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 (3.0%) or 1 percentage point higher (5.0%) than the current discount rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability	<u>\$ 1,771,677,813</u>	<u>\$ 1,467,204,586</u>	<u>\$ 1,235,567,717</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 (5.75% decreasing to 3.5%) or 1 percentage point higher (7.75% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.75% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (6.75% decreasing to 4.5%)	1% Increase (7.75% decreasing to 5.5%)
Total OPEB Liability	<u>\$ 1,203,138,438</u>	<u>\$ 1,467,204,586</u>	<u>\$ 1,821,216,866</u>

For the year ended June 30, 2023, the School District recognized OPEB expense of \$16,231,641 in the district-wide financial statements. At June 30, 2023, the following amounts were reported in deferred outflows/inflows of resources.

Yonkers City School District, New York

Notes to Financial Statements (Continued)
June 30, 2023

Note 3 - Detailed Notes on All Funds (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 194,394,507	\$ 660,282,777
Differences between expected and actual experience	-	-
	<u>\$ 194,394,507</u>	<u>\$ 660,282,777</u>

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

Year Ended	
2024	\$ (68,834,094)
2025	(68,834,094)
2026	(75,799,104)
2027	(110,049,349)
2028	(129,477,787)
Thereafter	<u>(12,893,842)</u>
	<u>\$ (465,888,270)</u>

F. Revenues and Expenditures**Contribution from City of Yonkers**

The School District is funded by State aid, charges for services and other miscellaneous revenues. The balance of the funding is provided by a contribution from the City. For the year ended June 30, 2023, the City has dedicated \$287,976,877 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.

Transfers Out	Transfers In		Total
	Special Aid Fund	Non-Major Governmental Funds	
General Fund	\$ 1,822,101	\$ 1,053,011	\$ 2,875,112
YJSCB Capital Projects Fund	-	2,116,377	2,116,377
	<u>\$ 1,822,101</u>	<u>\$ 3,169,388</u>	<u>\$ 4,991,489</u>

Note 3 - Detailed Notes on All Funds (Continued)

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Special Aid and YJSCB Debt Service fund expenditures.

G. Net Position

The components of net position are detailed below:

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

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

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

Restricted for Special Purpose - the component of net position that has been established to set aside funds to be used for extraclassroom activities and other purposes 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, 2023

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2023					2022				
	General Fund	Capital Projects Fund	YJSCB Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Capital Projects Fund	YJSCB Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable:										
Inventories	\$ -	\$ -	\$ -	\$ 490,257	\$ 490,257	\$ -	\$ -	\$ -	\$ 432,263	\$ 432,263
Prepaid expenditures	-	-	-	-	-	735	-	-	-	735
Total Nonspendable	-	-	-	490,257	490,257	735	-	-	432,263	432,998
Restricted:										
Debt service	-	-	-	149,355	149,355	-	-	-	2,259,590	2,259,590
Debt service - for subsequent years expenditures	-	-	-	2,110,256	2,110,256	-	-	-	105,206	105,206
Capital projects	-	31,345,415	-	-	31,345,415	-	45,306,108	-	-	45,306,108
Special purposes - extraclassroom activities	-	-	-	277,367	277,367	-	-	-	268,661	268,661
Special purposes - other	-	-	-	466,961	466,961	-	-	-	455,377	455,377
Yonkers Joint School										
Construction Board Capital Projects	-	-	36,631,870	-	36,631,870	-	-	12,472,572	-	12,472,572
Yonkers Joint School										
Construction Board Debt Service	-	-	-	3,066,230	3,066,230	-	-	-	543,001	543,001
Total Restricted	-	31,345,415	36,631,870	6,070,169	74,047,454	-	45,306,108	12,472,572	3,631,835	61,410,515
Assigned:										
Purchases on order:										
General government support	418,227	-	-	-	418,227	469,446	-	-	-	469,446
Instruction	383,793	-	-	-	383,793	318,491	-	-	-	318,491
Transportation	-	-	-	-	-	45	-	-	-	45
	802,020	-	-	-	802,020	787,982	-	-	-	787,982
Subsequent year's expenditures	32,261,215	-	-	1,599,122	33,860,337	9,351,771	-	-	488,481	9,840,252
Other postemployment benefits	-	-	-	-	-	20,000,000	-	-	-	20,000,000
School Lunch Fund	-	-	-	4,392,509	4,392,509	-	-	-	3,063,852	3,063,852
Total Assigned	33,063,235	-	-	5,991,631	39,054,866	30,139,753	-	-	3,552,333	33,692,086
Total Unassigned	50,895,291	-	-	-	50,895,291	40,737,571	-	-	-	40,737,571
Total Fund Balances (Deficits)	\$ 83,958,526	\$ 31,345,415	\$ 36,631,870	\$ 12,552,057	\$ 164,487,868	\$ 70,878,059	\$ 45,306,108	\$ 12,472,572	\$ 7,616,431	\$ 136,273,170

Yonkers City School District, New York

Notes to Financial Statements (Continued)

June 30, 2023

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.

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, 2023, 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.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

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

B. Contingencies

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

Yonkers City School District, New York

Notes to Financial Statements (Concluded)
June 30, 2023

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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.

The collective bargaining agreements between the unions and the School District expired between June 30, 2021 and June 30, 2022. No provision has been made in these financial statements for the retroactive settlement of these agreements.

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 \$5 million. The School District maintains a policy for professional liability with coverage up to \$5 million in the aggregate. 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. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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 of this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability:						
Service cost	\$ 26,466,968	\$ 27,618,774	\$ 63,047,156	\$ 54,120,606	\$ 21,687,335	\$ 21,055,665
Interest	58,598,767	84,393,701	41,967,556	41,481,564	58,012,600	56,562,154
Changes of assumptions or other inputs *	(63,336,862)	(846,891,978) (4)	163,342,812	249,640,738	-	-
Benefit payments	(38,986,928)	(38,435,154)	(37,194,534)	(37,385,359)	(36,892,086)	(35,460,915)
Net Change in Total OPEB Liability	(17,258,055)	(773,314,657)	231,162,990	307,857,549	42,807,849	42,156,904
Total OPEB Liability – Beginning of Year	1,484,462,641	2,257,777,298	2,026,614,308	1,718,756,759	1,675,948,910	1,633,792,006 (3)
Total OPEB Liability – End of Year	<u>\$ 1,467,204,586</u>	<u>\$ 1,484,462,641</u>	<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>\$ 311,899,995</u>	<u>\$ 311,899,995</u>	<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>470.41%</u>	<u>475.94%</u>	<u>692.98%</u>	<u>665.03%</u>	<u>578.52%</u>	<u>600.63%</u>
*Discount Rate	<u>4.00%</u>	<u>3.77%</u>	<u>2.09%</u>	<u>2.44%</u>	<u>3.50%</u>	<u>3.50%</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) Due to decrease in headcount since previous valuation.

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)

	2023 (3)	2022 (4)	2021 (3)	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	1.526961%	1.528355%	1.535703%	1.520192%	1.521210%	1.516748%	1.481040%	1.475492%	1.447884%
School District's proportionate share of the net pension liability (asset)	\$ 29,300,718	\$ (264,849,225)	\$ 42,435,625	\$ (39,494,688)	\$ (27,507,493)	\$ (11,528,794)	\$ 15,862,559	\$ (153,256,641)	\$ (164,733,013)
School District's covered payroll	\$ 267,193,122	\$ 259,410,797	\$ 260,657,438	\$ 253,744,746	\$ 248,808,490	\$ 240,090,469	\$ 228,539,404	\$ 221,638,990	\$ 207,758,212
School District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(10.97%)	(102.10%)	16.28%	(15.56)%	(11.06)%	(4.80)%	6.94%	(69.15)%	(79.29)%
Plan fiduciary net position as a percentage of the total pension liability	98.57%	113.25%	97.76%	102.17%	101.53%	100.66%	99.01%	110.46%	111.48%
Discount Rate	6.95%	6.95%	7.10%	7.10%	7.25%	7.25%	7.50%	8.00%	8.00%

Schedule of Contributions

	2022	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 28,282,240	\$ 26,184,926	\$ 24,721,849	\$ 23,094,249	\$ 26,947,692	\$ 24,383,232	\$ 28,138,603	\$ 30,304,325	\$ 38,853,314
Contributions in relation to the contractually required contribution	(28,282,240)	(26,184,926)	(24,721,849)	(23,094,249)	(26,947,692)	(24,383,232)	(28,138,603)	(30,304,325)	(38,853,314)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 274,851,701	\$ 267,193,122	\$ 259,410,797	\$ 260,657,438	\$ 253,744,746	\$ 248,808,490	\$ 240,090,469	\$ 228,539,404	\$ 221,638,990
Contributions as a percentage of covered payroll	10.29%	9.80%	9.53%	8.86%	10.62%	9.80%	11.72%	13.26%	17.53%

(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) 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.

(4) Increase in the School District's proportionate share of the net pension asset mainly attributable to increase in plan fiduciary net position due to investment gains.

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 (Asset) (2)									
	2023 (3)	2022 (5)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
School District's proportion of the net pension liability (asset)	0.2264005%	0.2150151%	0.2242850%	0.2261894%	0.2411714%	0.2249983%	0.2365530%	0.2305044%	0.2600000%
School District's proportionate share of the net pension liability (asset)	\$ 48,549,399	\$ (17,576,593)	\$ 223,329	\$ 59,896,273	\$ 17,087,728	\$ 7,261,697	\$ 22,227,049	\$ 36,996,600	\$ 8,667,336
School District's covered payroll	\$ 73,563,978	\$ 72,020,385	\$ 68,418,596	\$ 68,348,725	\$ 68,558,288	\$ 69,455,634	\$ 63,494,500	\$ 64,732,543	\$ 62,258,485
School District's proportionate share of the net pension liability as a percentage of its covered payroll	(66.00%)	(24.41%)	0.33%	87.63%	24.92%	10.46%	35.01%	57.15%	13.92%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
Discount rate	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Schedule of Contributions									
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 8,153,389	\$ 10,795,220	\$ 10,128,690	\$ 9,722,310	\$ 9,815,900	\$ 9,413,104	\$ 9,761,360	\$ 9,908,281	\$ 13,039,579
Contributions in relation to the contractually required contribution	(8,153,389)	(10,795,220)	(10,128,690)	(9,722,310)	(9,815,900)	(9,413,104)	(9,761,360)	(9,908,281)	(13,039,579)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 74,497,151	\$ 74,088,831	\$ 67,989,348	\$ 71,277,833	\$ 69,124,236	\$ 70,709,569	\$ 63,816,965	\$ 62,967,109	\$ 60,571,468
Contributions as a percentage of covered payroll	10.94%	14.57%	14.90%	13.64%	14.20%	13.31%	15.30%	15.74%	21.53%

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

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

Yonkers City School District, New York

General Fund
Comparative Balance Sheet
June 30,

	2023	2022
ASSETS		
Cash and equivalents	\$ 93,521,192	\$ 66,546,965
Receivables		
Accounts	2,441,487	1,961,013
State and Federal aid	77,398,564	76,869,665
Due from other funds	28,051,427	26,014,920
	107,891,478	104,845,598
Prepaid expenditures	-	735
Total Assets	\$ 201,412,670	\$ 171,393,298
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 33,395,198	\$ 22,528,691
Accrued liabilities	42,571,972	39,371,536
Due to other governments	833,064	794,839
Due to retirement systems	34,242,073	31,459,526
Due to other funds	3,970,337	3,926,193
Overpayments	893,673	886,627
Total Liabilities	115,906,317	98,967,412
Deferred inflows of resources		
Deferred revenues	1,547,827	1,547,827
Total Liabilities and Deferred inflows of Resources	117,454,144	100,515,239
Fund balance		
Nonspendable	-	735
Assigned	33,063,236	30,139,753
Unassigned	50,895,290	40,737,571
Total Fund Balance	83,958,526	70,878,059
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 201,412,670	\$ 171,393,298

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,**

	2023				
	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
REVENUES					
Charges for services	\$ 531,000	\$ 531,000	\$ 400,648	\$	\$ (130,352)
Use of money and property	160,000	160,000	247,839		87,839
Sale of property and compensation for loss	1,600	1,600	6,153		4,553
Interfund revenues	407,104	407,104	585,465		178,361
State aid	378,910,975	379,160,975	383,290,275		4,129,300
Federal aid	670,000	670,000	1,350,639		680,639
Miscellaneous	860,000	860,000	2,316,050		1,456,050
Total Revenues	381,540,679	381,790,679	388,197,069		6,406,390
EXPENDITURES					
Current					
General support					
Board of education	396,201	408,601	376,702	-	31,899
Central administration	818,343	1,003,628	983,410	358	19,860
Finance	158,880	158,880	148,657	-	10,223
Central services	48,630,806	46,203,792	43,032,753	417,869	2,753,170
Special items	2,834,171	2,979,380	2,930,597	-	48,783
Total General Support	52,838,401	50,754,281	47,472,119	418,227	2,863,935
Instruction					
Instruction, administration and improvement	34,445,540	33,763,827	33,362,814	40,030	360,983
Teaching - Regular school	198,753,357	191,476,368	188,161,801	201,378	3,113,189
Programs for students with disabilities	115,389,349	115,917,199	114,261,345	535	1,655,319
Occupational education	6,697,369	6,593,609	6,410,322	11,374	171,913
Instructional media	3,554,457	3,613,515	3,248,109	24,513	340,893
Pupil services	16,795,467	16,530,392	14,972,952	105,963	1,451,477
Total Instruction	375,635,539	367,894,910	360,417,343	383,793	7,093,774
Pupil transportation	50,223,139	53,948,539	53,222,304	-	726,235
Employee benefits	169,636,076	173,507,076	168,229,384	-	5,277,692
Debt service					
Principal	1,566,932	3,454,929	3,454,928	-	1
Interest	104,061	321,678	321,678	-	-
Total Debt Service	1,670,993	3,776,607	3,776,606	-	1
Total Expenditures	650,004,148	649,881,413	633,117,756	802,020	15,961,637
Deficiency of Revenues Over Expenditures	(268,463,469)	(268,090,734)	(244,920,687)	(802,020)	22,368,027
OTHER FINANCING SOURCES (USES)					
Contribution from City of Yonkers	260,876,266	260,876,266	260,876,266	-	-
Transfers out	(2,552,550)	(2,925,285)	(2,875,112)	-	50,173
Total Other Financing Sources	258,323,716	257,950,981	258,001,154	-	50,173
Net Change in Fund Balance	(10,139,753)	(10,139,753)	13,080,467	\$ (802,020)	\$ 22,418,200
FUND BALANCE					
Beginning of Year	10,139,753	10,139,753	70,878,059		
End of Year	\$ -	\$ -	\$ 83,958,526		

See independent auditors' report.

2022

Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
\$ 531,000	531,000	338,936	\$	\$ (192,064)
60,000	60,000	248,087		188,087
1,600	1,600	844		(756)
406,344	406,344	562,994		156,650
359,012,599	359,012,599	354,451,278		(4,561,321)
620,000	620,000	2,829,837		2,209,837
860,000	860,000	2,710,645		1,850,645
361,491,543	361,491,543	361,142,621		(348,922)
426,398	428,898	291,189	50	137,659
802,649	802,549	757,783	-	44,766
155,000	155,000	139,110	-	15,890
41,965,046	44,626,447	40,676,568	469,396	3,480,483
2,298,251	2,394,251	2,391,010	-	3,241
45,647,344	48,407,145	44,255,660	469,446	3,682,039
33,258,425	33,246,525	31,977,503	10,770	1,258,252
196,830,567	193,038,754	187,891,574	119,450	5,027,730
106,806,840	107,233,652	103,170,414	567	4,062,671
6,587,250	6,571,651	6,011,253	21,866	538,532
3,026,118	3,101,717	2,757,388	34,478	309,851
14,776,201	14,518,501	13,221,914	131,360	1,165,227
361,285,401	357,710,800	345,030,046	318,491	12,362,263
47,868,566	49,254,366	48,957,408	45	296,913
161,959,548	161,619,548	155,517,105	-	6,102,443
3,385,415	3,385,415	3,385,414	-	1
396,578	396,578	396,577	-	1
3,781,993	3,781,993	3,781,991	-	2
620,542,852	620,773,852	597,542,210	787,982	22,443,660
(259,051,309)	(259,282,309)	(236,399,589)	(787,982)	22,094,738
252,121,613	253,311,357	255,818,673	-	2,507,316
(2,079,724)	(3,038,468)	(2,825,643)	-	212,825
250,041,889	250,272,889	252,993,030	-	2,720,141
(9,009,420)	(9,009,420)	16,593,441	\$ (787,982)	\$ 24,814,879
9,009,420	9,009,420	54,284,618		
\$ -	\$ -	\$ 70,878,059		

Yonkers City School District, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
CHARGES FOR SERVICES				
Day school tuition	\$ 350,000	\$ 350,000	\$ -	\$ (350,000)
Health services for other districts	180,000	180,000	399,198	219,198
Other	1,000	1,000	1,450	450
	<u>531,000</u>	<u>531,000</u>	<u>400,648</u>	<u>(130,352)</u>
USE OF MONEY AND PROPERTY				
Rental of real property - Individuals	100,000	100,000	153,884	53,884
Rental - Other governments	60,000	60,000	93,955	33,955
	<u>160,000</u>	<u>160,000</u>	<u>247,839</u>	<u>87,839</u>
SALE OF PROPERTY AND COMPENSATION FOR LOSS				
Other	1,600	1,600	6,153	4,553
INTERFUND REVENUES	<u>407,104</u>	<u>407,104</u>	<u>585,465</u>	<u>178,361</u>
STATE AID				
Foundation aid	338,705,770	338,955,770	343,011,733	4,055,963
Video lottery terminal aid	19,600,000	19,600,000	19,600,000	-
Educational improvement plan	17,500,000	17,500,000	17,500,000	-
Textbooks	1,649,232	1,649,232	1,678,183	28,951
Computer software	784,877	784,877	796,243	11,366
Library materials	165,744	165,744	168,143	2,399
Homeless aid	505,352	505,352	535,973	30,621
	<u>378,910,975</u>	<u>379,160,975</u>	<u>383,290,275</u>	<u>4,129,300</u>

FEDERAL AID

Medical assistance

Impact aid

650,000

20,000

650,000

20,000

1,337,066

13,573

687,066

(6,427)

670,000

670,000

1,350,639

680,639

MISCELLANEOUS

Refund of prior year's expenditures

Other

850,000

10,000

850,000

10,000

2,209,958

106,092

1,359,958

96,092

860,000

860,000

2,316,050

1,456,050

TOTAL REVENUES

381,540,679

381,790,679

388,197,069

6,406,390

OTHER FINANCING SOURCES

Contribution from City of Yonkers

260,876,266

260,876,266

260,876,266

-

TOTAL REVENUES AND**OTHER FINANCING SOURCES**

\$ 642,416,945

\$ 642,666,945

\$ 649,073,335

\$ 6,406,390

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, 2023

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
GENERAL SUPPORT					
BOARD OF EDUCATION					
Board of education	\$ 396,201	\$ 408,601	\$ 376,702	\$ -	\$ 31,899
CENTRAL ADMINISTRATION					
Chief school administrator	818,343	1,003,628	983,410	358	19,860
FINANCE					
Auditing	158,880	158,880	148,657	-	10,223
CENTRAL SERVICES					
Operation of plant	38,576,988	35,903,327	33,710,544	146,513	2,046,270
Maintenance of plant	7,293,012	7,543,012	6,587,602	271,356	684,054
Central printing and mailing	379,007	379,154	365,148	-	14,006
Data processing	2,381,799	2,378,299	2,369,459	-	8,840
Total Central Services	48,630,806	46,203,792	43,032,753	417,869	2,753,170
SPECIAL ITEMS					
Unallocated insurance	1,764,171	1,764,171	1,715,388	-	48,783
Assessments for school property	1,070,000	1,215,209	1,215,209	-	-
Total Special Items	2,834,171	2,979,380	2,930,597	-	48,783
Total General Support	52,838,401	50,754,281	47,472,119	418,227	2,863,935

INSTRUCTION

INSTRUCTION, ADMINISTRATION AND IMPROVEMENT

Curriculum development and supervision	3,029,894	3,041,594	2,889,955	84	151,555
Supervision - Regular school	30,130,725	29,424,410	29,256,613	38,829	128,968
Research, training and evaluation	1,164,235	1,193,251	1,158,669	245	34,337
In-service training - Instruction	120,686	104,572	57,577	872	46,123

Total Instruction, Administration
and Improvement

34,445,540	33,763,827	33,362,814	40,030	360,983
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TEACHING - REGULAR SCHOOL

198,753,357	191,476,368	188,161,801	201,378	3,113,189
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PROGRAMS FOR STUDENTS WITH DISABILITIES

115,389,349	115,917,199	114,261,345	535	1,655,319
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OCCUPATIONAL EDUCATION

6,697,369	6,593,609	6,410,322	11,374	171,913
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INSTRUCTIONAL MEDIA

School library and audiovisual	1,269,171	1,264,759	1,140,133	23,364	101,262
School library and audiovisual digital	75,000	75,000	75,000	-	-
Computer assisted instruction	2,210,286	2,273,756	2,032,976	1,149	239,631

Total Instructional Media

3,554,457	3,613,515	3,248,109	24,513	340,893
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PUPIL SERVICES

Attendance - Regular school	993,477	993,477	944,590	-	48,887
Guidance - Regular school	1,191,850	1,324,908	1,245,738	1,544	77,626
Health services - Regular school	6,794,001	6,553,618	5,953,835	26,445	573,338
Psychological services - Regular school	748,381	776,243	724,227	890	51,126
Social work services - Regular school	660,617	679,152	675,959	-	3,193
Interscholastic athletics - Regular school	6,407,141	6,202,994	5,428,603	77,084	697,307

Total Pupil Services

16,795,467	16,530,392	14,972,952	105,963	1,451,477
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Total Instruction

375,635,539	367,894,910	360,417,343	383,793	7,093,774
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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, 2023

	Original Budget	Final Budget	Actual	Encumbr- ances	Variance with Final Budget
PUPIL TRANSPORTATION					
District transportation services	\$ 5,499,227	\$ 4,039,227	\$ 3,960,815	\$ -	\$ 78,412
Contract transportation	43,751,912	48,957,312	48,784,652	-	172,660
Public transportation	900,000	880,000	434,378	-	445,622
BOCES transportation	72,000	72,000	42,459	-	29,541
Total Pupil Transportation	50,223,139	53,948,539	53,222,304	-	726,235
EMPLOYEE BENEFITS					
State retirement	11,648,164	11,648,164	11,446,022	-	202,142
Teachers' retirement	25,223,821	25,223,821	23,998,679	-	1,225,142
Social security	23,682,349	23,191,899	22,761,179	-	430,720
Workers Compensation	4,400,000	4,516,450	4,477,022	-	39,428
Hospital, medical and dental benefits	100,155,143	104,398,143	101,351,861	-	3,046,282
Life insurance	32,907	34,907	34,185	-	722
Unemployment benefits	150,000	150,000	-	-	150,000
Union welfare benefits	4,343,692	4,343,692	4,160,436	-	183,256
Total Employee Benefits	169,636,076	173,507,076	168,229,384	-	5,277,692
DEBT SERVICE					
Principal					
Notes	1,566,932	1,566,932	1,566,931	-	1
Leases	-	1,887,997	1,887,997	-	-
	1,566,932	3,454,929	3,454,928	-	1

Interest					
Notes	104,061	104,061	104,061	-	-
Leases	-	217,617	217,617	-	-
	<u>104,061</u>	<u>321,678</u>	<u>321,678</u>	<u>-</u>	<u>-</u>
Total Debt Service	<u>1,670,993</u>	<u>3,776,607</u>	<u>3,776,606</u>	<u>-</u>	<u>1</u>
TOTAL EXPENDITURES	<u>650,004,148</u>	<u>649,881,413</u>	<u>633,117,756</u>	<u>802,020</u>	<u>15,961,637</u>
OTHER FINANCING USES					
Transfers out					
Special Aid Fund	1,495,000	1,867,735	1,822,100	-	45,635
Yonkers Joint Schools Construction Board					
Debt Service Fund	<u>1,057,550</u>	<u>1,057,550</u>	<u>1,053,012</u>	<u>-</u>	<u>4,538</u>
TOTAL OTHER FINANCING USES	<u>2,552,550</u>	<u>2,925,285</u>	<u>2,875,112</u>	<u>-</u>	<u>50,173</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u><u>\$ 652,556,698</u></u>	<u><u>\$ 652,806,698</u></u>	<u><u>\$ 635,992,868</u></u>	<u><u>\$ 802,020</u></u>	<u><u>\$ 16,011,810</u></u>

See independent auditors' report.

Yonkers City School District, New York

Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	\$ 2,988,135	\$ -
State and Federal aid receivable	<u>21,136,181</u>	<u>22,003,627</u>
Total Assets	<u><u>\$ 24,124,316</u></u>	<u><u>\$ 22,003,627</u></u>
LIABILITIES		
Accounts payable	\$ 2,321,043	\$ 2,249,001
Accrued liabilities	893,260	691,067
Unearned revenue	1,776,533	1,963,698
Due to other funds	<u>19,133,480</u>	<u>17,099,861</u>
Total Liabilities	<u><u>\$ 24,124,316</u></u>	<u><u>\$ 22,003,627</u></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,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State aid	\$ 34,637,979	\$ 34,289,677	\$ 30,130,945	\$ (4,158,732)
Federal aid	64,426,116	67,481,938	61,964,280	(5,517,658)
Miscellaneous	410,559	410,559	365,747	(44,812)
Total Revenues	99,474,654	102,182,174	92,460,972	(9,721,202)
EXPENDITURES				
Current				
General support	1,184,826	1,207,672	1,171,602	36,070
Instruction	93,105,819	96,534,017	87,100,605	9,433,412
Pupil transportation	2,931,000	2,560,000	2,173,830	386,170
Community services	267,633	267,633	183,818	83,815
Employee benefits	3,480,587	3,480,587	3,653,218	(172,631)
Total Expenditures	100,969,865	104,049,909	94,283,073	9,766,836
Deficiency of Revenues Over Expenditures	(1,495,211)	(1,867,735)	(1,822,101)	45,634
OTHER FINANCING SOURCES				
Transfers in	1,495,211	1,867,735	1,822,101	(45,634)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

2022

Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 30,586,453	\$ 30,825,232	\$ 27,702,032	\$ (3,123,200)
131,611,230	135,812,747	53,388,687	(82,424,060)
700,894	719,338	645,044	(74,294)
162,898,577	167,357,317	81,735,763	(85,621,554)
2,621,704	2,635,128	925,182	1,709,946
156,335,512	160,891,947	76,545,150	84,346,797
1,788,000	1,748,500	1,272,692	475,808
494,832	505,832	461,406	44,426
3,397,806	3,321,110	3,434,710	(113,600)
164,637,854	169,102,517	82,639,140	86,463,377
(1,739,277)	(1,745,200)	(903,377)	841,823
1,739,277	1,745,200	1,635,899	(109,301)
-	-	732,522	732,522
-	-	(732,522)	(732,522)
\$ -	\$ -	\$ -	\$ -

Yonkers City School District, New York

Capital Projects Fund
Comparative Balance Sheet
June 30,

	2023	2022
ASSETS		
Investments	\$ 33,602,126	\$ 48,718,294
Receivables		
Accounts	989,770	2,482,048
Due from City of Yonkers	478,596	-
Due from other funds	42,963	42,963
	1,511,329	2,525,011
Total Assets	\$ 35,113,455	\$ 51,243,305
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,510,564	\$ 1,559,824
Accrued liabilities	795,201	1,582,139
Due to City of Yonkers	-	1,335,848
Due to other funds	1,462,275	1,459,386
Total Liabilities	3,768,040	5,937,197
Fund balance		
Restricted	31,345,415	45,306,108
Total Liabilities and Fund Balance	\$ 35,113,455	\$ 51,243,305

See independent auditors' report.

Yonkers City School District, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balance
Years Ended June 30,

	<u>2023</u>	<u>2022</u>
REVENUES		
State aid	\$ 1,239,768	\$ 1,674,098
EXPENDITURES		
Capital outlay	<u>30,142,472</u>	<u>35,153,236</u>
Deficiency of Revenues Over Expenditures	<u>(28,902,704)</u>	<u>(33,479,138)</u>
OTHER FINANCING SOURCES		
Insurance recoveries	698,391	802,330
Bonds issued	9,375,000	21,675,000
Issuance premium	748,538	3,522,058
Leases issued	<u>4,120,082</u>	<u>-</u>
Total Other Financing Sources	<u>14,942,011</u>	<u>25,999,388</u>
Net Change in Fund Balance	(13,960,693)	(7,479,750)
FUND BALANCE		
Beginning of Year	<u>45,306,108</u>	<u>52,785,858</u>
End of Year	<u>\$ 31,345,415</u>	<u>\$ 45,306,108</u>

See independent auditors' report.

Yonkers City School District, New York

Capital Projects Fund
 Project-Length Schedule
 Inception Of Project Through June 30, 2023

PROJECT	Authorization		Expenditures and Transfers to Date		
	Original	Revised	Prior Years	Current Year	Total
Bond Sale - December 2011	\$ 10,000,000	\$ 10,000,000	\$ 9,994,998	\$ -	\$ 9,994,998
Bond Sale - December 2012	27,846,460	27,846,460	27,782,774	58,480	27,841,254
Bond Sale - October 2014	21,729,385	21,778,902	21,723,210	6,094	21,729,304
Bond Sale - September 2015	19,883,325	19,883,325	19,806,225	-	19,806,225
Bond Sale - December 2016	16,369,985	16,369,985	15,673,784	190,797	15,864,581
Saunders Insurance Recovery	598,362	1,155,423	1,126,156	-	1,126,156
Bond Anticipation Note - April 2017	2,700,000	2,700,000	2,696,747	594	2,697,341
Bond Sale October 2017	19,467,362	19,467,362	18,903,616	77,006	18,980,622
Cash Capital - Travelers	581,128	660,076	656,225	-	656,225
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	19,087,656	929,751	20,017,407
Bond Anticipation Note - August 2018	2,700,000	2,700,000	2,675,113	76	2,675,189
Bond Anticipation Note - May 2019	24,620,000	24,620,000	23,050,501	333,015	23,383,516
DASNY State and Municipal Facilities Program No. 13081	500,000	500,000	500,000	-	500,000
Bond Sale - November 2019	34,927,459	35,319,299	33,056,494	1,251,590	34,308,084
Bond Sale - February 2021	40,102,800	40,102,800	24,733,585	6,663,886	31,397,471
Smart Schools Investment Plan- Non-CIP 2021	2,452,184	2,452,184	2,188,725	37,120	2,225,845
Cross Hill Insurance Recovery	39,791	1,976,876	799,220	515,225	1,314,445
Bond Sale March 2022	25,197,058	25,197,058	1,063,264	15,120,686	16,183,950
DASNY "NYS EDAP" #19148	445,000	445,000	-	-	-
DASNY "SAM" 22644	249,999	249,999	-	-	-
DASNY "SAM" 24821	250,000	250,000	-	-	-
Bond Sale November 2022	10,123,538	10,123,538	-	815,172	815,172
DASNY "SAM" 22643	500,000	500,000	-	22,898	22,898
PS #29 Insurance Recovery	39,059	39,059	-	-	-
Building Lease	4,120,082	4,120,082	-	4,120,082	4,120,082
Total	<u>\$ 290,281,051</u>	<u>\$ 293,295,503</u>	<u>\$ 229,356,355</u>	<u>\$ 30,142,472</u>	<u>\$ 259,498,827</u>

See independent auditors' report.

Unexpended Balance	Methods of Financing				Fund Balance at June 30, 2023
	Proceeds of Obligations	State Aid	Other	Total	
\$ 5,002	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ 5,002
5,206	27,846,460	-	-	27,846,460	5,206
49,598	21,778,902	-	-	21,778,902	49,598
77,100	19,883,325	-	-	19,883,325	77,100
505,404	16,369,985	-	-	16,369,985	505,404
29,267	-	-	1,155,423	1,155,423	29,267
2,659	2,700,000	-	-	2,700,000	2,659
486,740	19,467,362	-	-	19,467,362	486,740
3,851	-	-	660,076	660,076	3,851
13	-	3,838,062	-	3,838,062	-
982,593	-	20,017,407	-	20,017,407	-
24,811	2,700,000	-	-	2,700,000	24,811
1,236,484	24,620,000	-	-	24,620,000	1,236,484
-	-	500,000	-	500,000	-
1,011,215	35,319,299	-	-	35,319,299	1,011,215
8,705,329	40,102,800	-	-	40,102,800	8,705,329
226,339	-	2,225,845	-	2,225,845	-
662,431	-	-	1,461,662	1,461,662	147,217
9,013,108	25,197,058	-	-	25,197,058	9,013,108
445,000	-	445,000	-	445,000	445,000
249,999	-	249,999	-	249,999	249,999
250,000	-	-	-	-	-
9,308,366	10,123,538	-	-	10,123,538	9,308,366
477,102	22,898	-	-	22,898	-
39,059	39,059	-	-	39,059	39,059
-	4,120,082	-	-	4,120,082	-
<u>\$ 33,796,676</u>	<u>\$ 260,290,768</u>	<u>\$ 27,276,313</u>	<u>\$ 3,277,161</u>	<u>\$ 290,844,242</u>	<u>\$ 31,345,415</u>

Yonkers City School District, New York

Yonkers Joint Schools Construction Board
Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	\$ 38,970,057	\$ 12,740,907
Accounts receivable	<u>171,542</u>	<u>-</u>
Total Assets	<u><u>\$ 39,141,599</u></u>	<u><u>\$ 12,740,907</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,200,721	\$ 254,434
Due to other funds	<u>1,309,008</u>	<u>13,901</u>
Total Liabilities	2,509,729	268,335
Fund balance		
Restricted	<u>36,631,870</u>	<u>12,472,572</u>
Total Liabilities and Fund Balance	<u><u>\$ 39,141,599</u></u>	<u><u>\$ 12,740,907</u></u>

See independent auditors' report.

Yonkers City School District, New York

Yonkers Joint Schools Construction Board

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30,

	<u>2023</u>	<u>2022</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Capital outlay	<u>23,783,885</u>	<u>17,458,191</u>
Deficiency of Revenues Over Expenditures	<u>(23,783,885)</u>	<u>(17,458,191)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	46,240,000	25,000,000
Issuance premium	3,819,560	4,930,763
Transfer out	<u>(2,116,377)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>47,943,183</u>	<u>29,930,763</u>
Net Change in Fund Balance	24,159,298	12,472,572
FUND BALANCE		
Beginning of Year	<u>12,472,572</u>	<u>-</u>
End of Year	<u>\$ 36,631,870</u>	<u>\$ 12,472,572</u>

See independent auditors' report.

Yonkers City School District, New York

Yonkers Joint Schools Construction Board
Capital Projects Fund
Project-Length Schedule
Inception Of Project Through June 30, 2023

PROJECT	Authorization		Expenditures and Transfers to Date		
	Original	Revised	Prior Years	Current Year	Total
New Community School Project	\$ 29,930,763	\$ 79,990,323	\$ 17,458,191	\$ 25,900,262	\$ 43,358,453

See independent auditors' report.

	Method of Financing	
Unexpended Balance	Proceeds of Obligations	Fund Balance at June 30, 2023
<u>\$ 36,631,870</u>	<u>\$ 79,990,323</u>	<u>\$ 36,631,870</u>

Yonkers City School District, New York

Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023
(With Comparative Totals for 2022)

	School Lunch	Special Purpose	Debt Service
ASSETS			
Cash and equivalents	\$ 5,904,048	\$ 664,951	\$ -
Receivables			
Accounts	1,337	4,154	-
State and Federal aid	968,547	-	-
Due from City of Yonkers	-	5,381,341	-
Due from other funds	-	1,168,659	2,861,136
	969,884	6,554,154	2,861,136
Inventories	490,257	-	-
Total Assets	\$ 7,364,189	\$ 7,219,105	\$ 2,861,136
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 267,979	\$ -	\$ -
Accrued liabilities	132,531	-	-
Due to other funds	481,791	6,474,777	601,525
Total Liabilities	882,301	6,474,777	601,525
Fund balances			
Nonspendable	490,257	-	-
Restricted	-	744,328	2,259,611
Assigned	5,991,631	-	-
Total Fund Balances	6,481,888	744,328	2,259,611
Total Liabilities and Fund Balances	\$ 7,364,189	\$ 7,219,105	\$ 2,861,136

See independent auditors' report.

Yonkers Joint Schools Construction Board Debt Service	Total Non-Major Governmental Funds	
	2023	2022
<u>\$ 1,750,184</u>	<u>\$ 8,319,183</u>	<u>\$ 16,165,929</u>
7,038	12,529	9,495
-	968,547	2,720,749
-	5,381,341	5,381,341
<u>1,309,008</u>	<u>5,338,803</u>	<u>3,999,551</u>
<u>1,316,046</u>	<u>11,701,220</u>	<u>12,111,136</u>
<u>-</u>	<u>490,257</u>	<u>432,263</u>
<u>\$ 3,066,230</u>	<u>\$ 20,510,660</u>	<u>\$ 28,709,328</u>
\$ -	\$ 267,979	\$ 889,096
-	132,531	159,235
<u>-</u>	<u>7,558,093</u>	<u>7,571,994</u>
<u>-</u>	<u>7,958,603</u>	<u>8,620,325</u>
-	490,257	432,263
3,066,230	6,070,169	16,104,407
<u>-</u>	<u>5,991,631</u>	<u>3,552,333</u>
<u>3,066,230</u>	<u>12,552,057</u>	<u>20,089,003</u>
<u>\$ 3,066,230</u>	<u>\$ 20,510,660</u>	<u>\$ 28,709,328</u>

Yonkers City School District, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2023
(With Comparative Totals for 2022)

	School Lunch	Special Purpose	Debt Service
REVENUES			
Use of money and property	\$ -	\$ 2,501	\$ 21
State aid	229,728	-	-
Federal aid	12,921,387	-	-
Food sales	55,516	-	-
Miscellaneous	4,870	915,800	-
Total Revenues	13,211,501	918,301	21
EXPENDITURES			
Current			
Employee benefits	2,150,808	-	-
Cost of food sales	8,563,401	-	-
Other	-	898,011	-
Debt service			
Principal	-	-	18,645,000
Interest	-	-	8,560,817
Refunding bond issuance costs	-	-	147,271
Total Expenditures	10,714,209	898,011	27,353,088
Excess (Deficiency) of Revenues Over Expenditures	2,497,292	20,290	(27,353,067)
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	-	-	12,045,000
Payment to refunded bond escrow agent	-	-	(13,408,150)
Insurance premium on bonds	-	-	1,510,421
Contribution from City of Yonkers	-	-	27,100,611
Transfers in	-	-	-
Total Other Financing Sources	-	-	27,247,882
Net Change in Fund Balances	2,497,292	20,290	(105,185)
FUND BALANCES			
Beginning of Year	3,984,596	724,038	2,364,796
End of Year	\$ 6,481,888	\$ 744,328	\$ 2,259,611

See independent auditors' report.

Yonkers Joint Schools Construction Board Debt Service	Total Non-Major Governmental Funds	
	2023	2022
\$ 1,353,856	\$ 1,356,378	\$ 9,808
-	229,728	233,210
-	12,921,387	13,010,834
-	55,516	12,764
-	920,670	858,140
1,353,856	15,483,679	14,124,756
-	2,150,808	2,370,614
-	8,563,401	7,692,456
-	898,011	886,410
-	18,645,000	17,280,000
2,000,015	10,560,832	8,902,040
-	147,271	69,636
2,000,015	40,965,323	37,201,156
(646,159)	(25,481,644)	(23,076,400)
-	12,045,000	7,005,000
-	(13,408,150)	(7,531,075)
-	1,510,421	600,353
-	27,100,611	27,231,706
3,169,388	3,169,388	1,189,744
3,169,388	30,417,270	28,495,728
2,523,229	4,935,626	5,419,328
543,001	7,616,431	2,197,103
\$ 3,066,230	\$ 12,552,057	\$ 7,616,431

Yonkers City School District, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	<u>\$ 5,904,048</u>	<u>\$ 2,248,534</u>
Receivables		
Accounts	1,337	7,844
State and Federal aid	<u>968,547</u>	<u>2,571,419</u>
	<u>969,884</u>	<u>2,579,263</u>
Inventories	<u>490,257</u>	<u>432,263</u>
Total Assets	<u><u>\$ 7,364,189</u></u>	<u><u>\$ 5,260,060</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 267,979	\$ 634,438
Accrued liabilities	132,531	159,235
Due to other funds	<u>481,791</u>	<u>481,791</u>
Total Liabilities	<u>882,301</u>	<u>1,275,464</u>
Fund balance		
Nonspendable	490,257	432,263
Assigned	<u>5,991,631</u>	<u>3,552,333</u>
Total Fund Balance	<u>6,481,888</u>	<u>3,984,596</u>
Total Liabilities and Fund Balance	<u><u>\$ 7,364,189</u></u>	<u><u>\$ 5,260,060</u></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,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
State aid	\$ 223,005	\$ 229,000	\$ 229,728	\$ 728
Federal aid	11,679,846	13,100,000	12,921,387	(178,613)
Food sales	10,000	-	55,516	55,516
Miscellaneous	-	-	4,870	4,870
Total Revenues	11,912,851	13,329,000	13,211,501	(117,499)
EXPENDITURES				
Current				
Employee benefits	2,675,268	2,400,000	2,150,808	249,192
Cost of food sales	9,726,064	11,600,000	8,563,401	3,036,599
Total Expenditures	12,401,332	14,000,000	10,714,209	3,285,791
Excess (Deficiency) of Revenues Over Expenditures	(488,481)	(671,000)	2,497,292	3,168,292
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Net Change in Fund Balance	(488,481)	(671,000)	2,497,292	3,168,292
FUND BALANCE				
Beginning of Year	488,481	671,000	3,984,596	3,313,596
End of Year	\$ -	\$ -	\$ 6,481,888	\$ 6,481,888

See independent auditors' report.

2022			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 198,541	\$ 198,541	\$ 233,210	\$ 34,669
10,139,224	10,139,224	12,861,504	2,722,280
-	-	12,764	12,764
-	-	351	351
10,337,765	10,337,765	13,107,829	2,770,064
2,658,548	2,465,698	2,370,614	95,084
8,263,741	8,456,591	7,692,456	764,135
10,922,289	10,922,289	10,063,070	859,219
(584,524)	(584,524)	3,044,759	3,629,283
584,524	584,524	-	(584,524)
-	-	3,044,759	3,044,759
-	-	939,837	939,837
\$ -	\$ -	\$ 3,984,596	\$ 3,984,596

Yonkers City School District, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	<u>\$ 664,951</u>	<u>\$ 647,388</u>
Receivables		
Accounts	4,154	1,651
Due from City of Yonkers	5,381,341	5,381,341
Due from other funds	<u>1,168,659</u>	<u>1,168,659</u>
	<u>6,554,154</u>	<u>6,551,651</u>
Total Assets	<u><u>\$ 7,219,105</u></u>	<u><u>\$ 7,199,039</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 224
Due to other funds	<u>6,474,777</u>	<u>6,474,777</u>
Total Liabilities	6,474,777	6,475,001
Fund balance		
Restricted	<u>744,328</u>	<u>724,038</u>
Total Liabilities and Fund Balance	<u><u>\$ 7,219,105</u></u>	<u><u>\$ 7,199,039</u></u>

See independent auditors' report.

Yonkers City School District, New York

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

	<u>2023</u>	<u>2022</u>
REVENUES		
Use of money and property	\$ 2,501	\$ 220
Miscellaneous	<u>915,800</u>	<u>857,789</u>
Total Revenues	918,301	858,009
EXPENDITURES		
Current		
Other	<u>898,011</u>	<u>886,410</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>20,290</u>	<u>(28,401)</u>
FUND BALANCE		
Beginning of Year	<u>724,038</u>	<u>752,439</u>
End of Year	<u><u>\$ 744,328</u></u>	<u><u>\$ 724,038</u></u>

See independent auditors' report.

Yonkers City School District, New York

Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Receivables		
State and Federal aid	\$ -	\$ 149,330
Due from other funds	<u>2,861,136</u>	<u>2,816,991</u>
	<u><u>\$ 2,861,136</u></u>	<u><u>\$ 2,966,321</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ 601,525	\$ 601,525
 Fund balance		
Restricted	<u>2,259,611</u>	<u>2,364,796</u>
 Total Liabilities and Fund Balance	<u><u>\$ 2,861,136</u></u>	<u><u>\$ 2,966,321</u></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,

	2023			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Use of money and property	\$ -	\$ -	\$ 21	\$ 21
Federal aid	-	-	-	-
Total Revenues	-	-	21	21
EXPENDITURES				
Debt service				
Principal				
Bonds	18,445,000	18,445,000	18,445,000	-
State loan	200,000	200,000	200,000	-
	18,645,000	18,645,000	18,645,000	-
Interest				
Bonds	8,560,817	8,560,817	8,560,817	-
Refunding bond issuance costs	-	147,271	147,271	-
Total Expenditures	27,205,817	27,353,088	27,353,088	-
Deficiency of Revenues Over Expenditures	(27,205,817)	(27,353,088)	(27,353,067)	21
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	12,045,000	12,045,000	-
Payment to refunded bond escrow agent	-	(13,408,150)	(13,408,150)	-
Issuance premium	-	1,510,421	1,510,421	-
Contribution from City of Yonkers	27,100,611	27,100,611	27,100,611	-
Total Other Financing Sources	27,100,611	27,247,882	27,247,882	-
Net Change in Fund Balance	(105,206)	(105,206)	(105,185)	21
FUND BALANCE				
Beginning of Year	105,206	105,206	2,364,796	2,259,590
End of Year	\$ -	\$ -	\$ 2,259,611	\$ 2,259,611

See independent auditors' report.

2022			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ 4	\$ 4
-	-	149,330	149,330
-	-	149,334	149,334
18,620,000	18,620,000	17,080,000	1,540,000
200,000	200,000	200,000	-
18,820,000	18,820,000	17,280,000	1,540,000
10,001,071	8,811,327	8,241,071	570,256
-	69,636	69,636	-
28,821,071	27,700,963	25,590,707	2,110,256
(28,821,071)	(27,700,963)	(25,441,373)	2,259,590
-	7,005,000	7,005,000	-
-	(7,531,075)	(7,531,075)	-
-	595,711	595,711	-
28,421,450	27,231,706	27,231,706	-
28,421,450	27,301,342	27,301,342	-
(399,621)	(399,621)	1,859,969	2,259,590
399,621	399,621	504,827	105,206
\$ -	\$ -	\$ 2,364,796	\$ 2,364,796

Yonkers City School District, New York

Yonkers Joint Schools Construction Board
Debt Service Fund
Comparative Balance Sheet
June 30,

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and equivalents	\$ 1,750,184	\$ 529,100
Accounts receivable	7,038	-
Due from other funds	<u>1,309,008</u>	<u>13,901</u>
Total Assets	<u>\$ 3,066,230</u>	<u>\$ 543,001</u>
FUND BALANCE		
Restricted	<u>\$ 3,066,230</u>	<u>\$ 543,001</u>

See independent auditors' report.

Yonkers City School District, New York

Yonkers Joint Schools Construction Board

Debt Service Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

Years Ended June 30,

	<u>2023</u>	<u>2022</u>
REVENUES		
Use of money and property	\$ 1,353,856	\$ 9,584
EXPENDITURES		
Debt service		
Interest		
Bonds	<u>2,000,015</u>	<u>660,969</u>
Deficiency of Revenues Over Expenditures	<u>(646,159)</u>	<u>(651,385)</u>
OTHER FINANCING SOURCES		
Issuance premium	-	4,642
Transfers in	<u>3,169,388</u>	<u>1,189,744</u>
Total Other Financing Sources	<u>3,169,388</u>	<u>1,194,386</u>
Net Change in Fund Balance	2,523,229	543,001
FUND BALANCE		
Beginning of Year	<u>543,001</u>	<u>-</u>
End of Year	<u>\$ 3,066,230</u>	<u>\$ 543,001</u>

See independent auditors' report.

Yonkers City School District, New York

General Fund
Analysis of Change from Adopted Budget to Final Budget
Year Ended June 30, 2023

Adopted Budget	\$ 651,768,716
Additions	
Encumbrances	<u>787,982</u>
Original Budget	652,556,698
Amendments	<u>250,000</u>
Final Budget	<u><u>\$ 652,806,698</u></u>

Yonkers City School District, New YorkSchedule of Net Investment in Capital Assets
Year Ended June 30, 2023

Capital Assets, net		\$ 417,435,459
Less		
Bonds payable - Capital construction	\$ (260,660,000)	
Notes payable	(2,267,961)	
Leases payable	(8,771,668)	
Unamortized portion of premium on bonds - Capital construction	<u>(31,906,200)</u>	(303,605,829)
Plus		
Unexpended bond proceeds	67,101,951	
Unamortized portion of loss on refunding bonds - Capital construction	<u>1,151,513</u>	<u>68,253,464</u>
Net Investment in Capital Assets		<u><u>\$ 182,083,094</u></u>

See independent auditors' report.

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Yonkers City School District, New York ("School District") as of and for the year ended June 30, 2023, 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 7, 2023.

Report on 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 School District'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 or significant deficiencies may exist that were not identified.

Report on 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 School District'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 School District'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 7, 2023



**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

Opinion on Each Major Federal Program

We have audited the Yonkers City School District, New York's ("School District") compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the School District complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 7, 2023

Yonkers City School District, New York

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<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>				
School Breakfast Program	10.553	N/A	\$ -	\$ 2,335,503
National School Lunch Program - Commodities	10.555	N/A	-	334,108
National School Lunch Program - Cash	10.555	N/A	-	9,654,322
Summer Food Service Program for Children	10.559	N/A	-	558,548
Subtotal Child Nutrition Cluster			-	12,882,481
Child Nutrition Discretionary Grants Limited Availability	10.579	0005-21-3820	-	2,104
State Pandemic EBT Administrative Costs Grant	10.649	N/A	-	38,906
Total U.S. Department of Agriculture			-	12,923,491
<u>U.S. Department of Education</u>				
Direct Program				
Impact Aid	84.041	N/A	-	13,573
Indirect Programs - Passed through New York State Department of Education				
<i>Special Education Cluster - IDEA</i>				
Special Education - Grants to States (IDEA, Part B)	84.027	0032-23-1107	-	7,314,814
Special Education - Grants to States (IDEA, Part B) (ARP Supplemental 611)	84.027X	5532-22-1107	-	849,686
Special Education - Preschool Grants (IDEA, Preschool)	84.173	0033-23-1107	-	210,832
Special Education - Preschool Grants (IDEA, Preschool) (ARP Supplemental 611)	84.173X	5533-22-1107	-	45,376
Subtotal Special Education Cluster			-	8,420,708
Adult Education - Basic Grants to States	84.002	2338-23-2107	-	379,973
Adult Education - Basic Grants to States	84.002	2338-23-2401	-	124,877
Adult Education - Basic Grants to States	84.002	2338-23-2402	-	124,876
Adult Education - Basic Grants to States	84.002	2338-23-2403	-	149,851
			-	779,577
Title I Grants to Local Educational Agencies	84.010	0021-22-3820	-	1,048,417
Title I Grants to Local Educational Agencies	84.010	0011-22-2008	-	255,182
Title I Grants to Local Educational Agencies	84.010	0011-22-6008	-	288,253
Title I Grants to Local Educational Agencies	84.010	0011-22-4008	-	61,277
Title I Grants to Local Educational Agencies	84.010	0011-23-2008	-	576,248
Title I Grants to Local Educational Agencies	84.010	0011-23-6008	-	389,802
Title I Grants to Local Educational Agencies	84.010	0021-23-3820	-	9,065,151
			-	11,684,330
Career and Technical Education - Basic Grants to States	84.048	8000-23-0001	-	275,333
Career and Technical Education - Basic Grants to States	84.048	8000-23-9037	-	52,605
			-	327,938

(Continued)

Yonkers City School District, New York

 Schedule of Expenditures of Federal Awards (Continued)
 Year Ended June 30, 2023

<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	0293-22-3820	\$ -	\$ 165,574
English Language Acquisition State Grants	84.365	0149-22-3820	-	5,316
English Language Acquisition State Grants	84.365	0293-23-3820	-	356,228
			-	527,118
Education For Homeless Children and Youth	84.196	0212-23-3132	-	35,044
Twenty-First Century Community Learning Centers	84.287	0187-23-8058	-	297,925
Twenty-First Century Community Learning Centers	84.287	0187-23-8059	-	298,200
			-	596,125
Supporting Effective Instruction State Grants	84.367	0147-22-3820	-	256,137
Supporting Effective Instruction State Grants	84.367	0147-23-3820	-	1,103,922
			-	1,360,059
Student Support and Academic Enrichment Program	84.424A	0204-22-3820	-	258,624
Student Support and Academic Enrichment Program	84.424A	0204-23-3820	-	337,917
			-	596,541
Elementary and Secondary School Emergency Relief Fund (CRRSA ESSER)	84.425D	5891-21-3820	-	10,196,047
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	84.425U	5880-21-3820	-	26,371,030
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ARP ESSER) Summer Enrichment Fund	84.425U	5882-21-3820	-	239
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ARP ESSER) Comprehensive After School Program	84.425U	5883-21-3820	-	118,759
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ARP ESSER) Learning Loss	84.425U	5884-21-3820	-	891,314
American Rescue Plan - Elementary and Secondary School Emergency Relief Fund Homeless Children and Youth (ARP-HCY)	84.425W	5218-21-3820	-	57,347
			-	37,634,736
Total U.S. Department of Education			-	61,962,176
Total Expenditures of Federal Awards			\$ -	\$ 74,899,240

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, 2023

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, 2023. 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, 2023

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

	Special Education Cluster (IDEA)
84.027	Special Education – Grants to States (IDEA, Part B)
84.027X	Special Education – Grants to States (IDEA, Part B) – (ARP Supplemental 611)
84.173	Special Education – Preschool Grants (IDEA, Preschool)
84.173X	Special Education – Preschool Grants (IDEA, Preschool) – (ARP Supplemental 619)
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Century Community Learning Centers
84.425D	Elementary and Secondary School Emergency Relief Fund (CRRSA ESSER)
84.425U	American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER)

Yonkers City School District, New York

Schedule of Findings and Questioned Costs (Concluded)
Year ended June 30, 2023

Assistance

<u>Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425U	American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER) Summer Enrichment Fund
84.425U	American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER) Comprehensive After School Program
84.425U	American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER) Learning Loss
84.425W	American Rescue Plan Elementary and Secondary School Emergency Relief Fund Homeless Children and Youth (ARP-HCY)

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

\$2,246,977

Auditee qualified as low-risk auditee?

 X Yes No

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None