

**CITY OF YONKERS,
NEW YORK**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**Fiscal Year Ended
June 30, 2015**

**Prepared by the
Office of Finance and Management
Services**

City of Yonkers, New York

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

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This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information reveals about the City's overall financial health.

This section includes the following schedules

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**INTRODUCTORY
SECTION**

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THE CITY OF YONKERS GOVERNMENT

EXECUTIVE BRANCH

**MIKE SPANO
MAYOR**

LEGISLATIVE BRANCH

CITY COUNCIL MEMBERS

LIAM J. McLAUGHLIN, City Council President

**JOHN LARKIN, Majority Leader
DENNIS SHEPHERD
MIKE BREEN**

**MICHAEL SABATINO, Minority Leader
CHRISTOPHER JOHNSON
CORAZON PINEDA ISAAC**

ADMINISTRATIVE OFFICERS

**SUSAN GERRY
First Deputy Mayor**

**STEVE LEVY
Second Deputy Mayor**

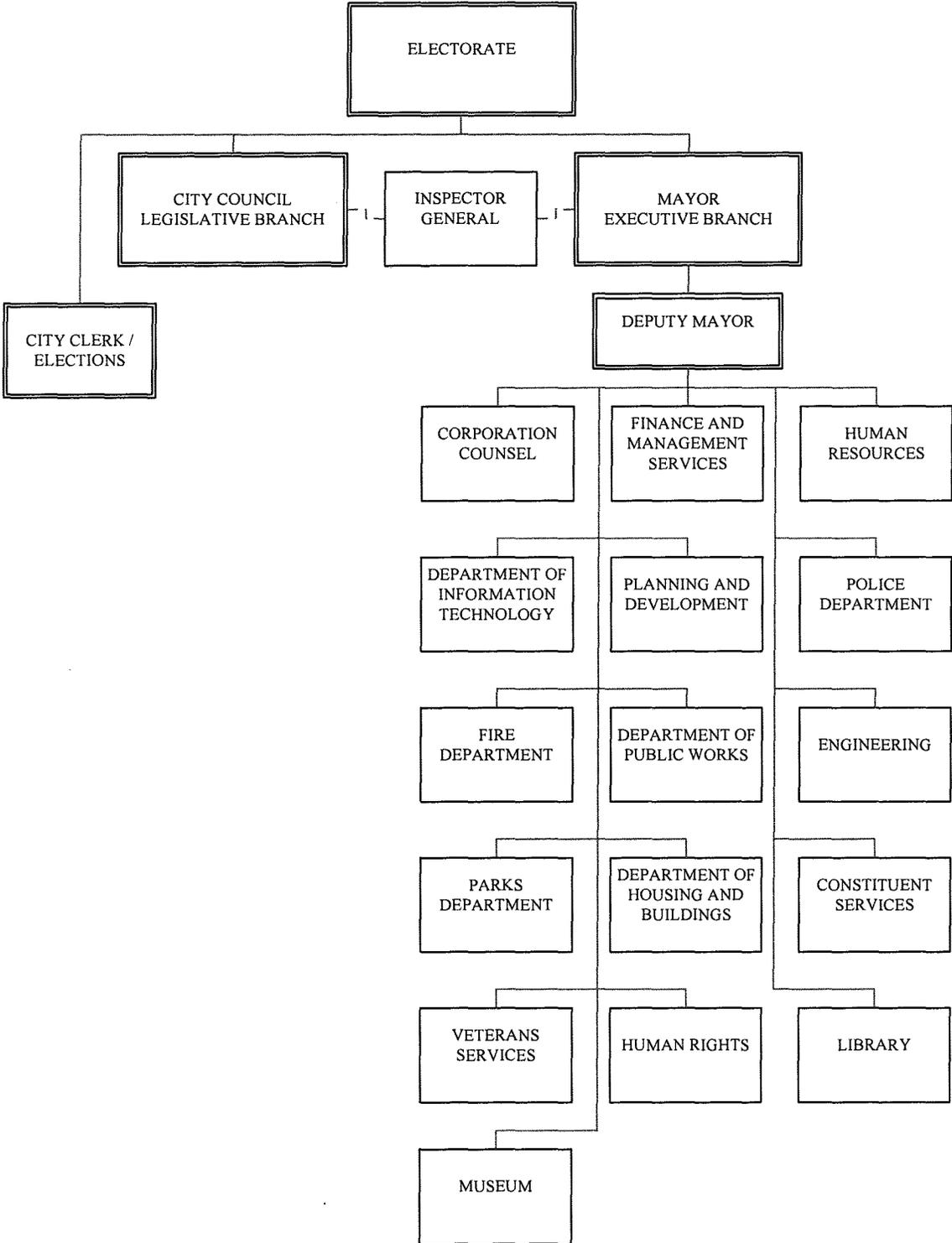
**DENISE EGIZIACO
Chief of Staff**

**JOHN LISZEWSKI
Commissioner of Finance and Management Services**

**MICHAEL CURTI
Corporation Counsel**

City of Yonkers

Organizational Chart





Mayor Mike Spano

CITY OF YONKERS

John A. Liszewski
Commissioner of Finance

DEPARTMENT OF FINANCE AND MANAGEMENT SERVICES

One Larkin Center

Third Floor

Yonkers, NY 10701

Tel. 914.377.6168

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January 25, 2016

To the Honorable Mayor,
Members of the City Council and
Citizens of the City of Yonkers, New York

The Comprehensive Annual Financial Report ("CAFR") for the City of Yonkers, New York ("City") for the fiscal year ended June 30, 2015 is herewith submitted. The New York State Comptroller's Office and Section C4 - 9 of the City Charter requires the City to submit an annual report of the financial records and transactions presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR is issued pursuant to these requirements.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal control should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. Management asserts that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by O'Connor Davies, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The financial section includes a narrative introduction, overview and analysis of the June 30, 2015 financial statements to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE CITY

The City was incorporated in 1872. As provided by the New York State Constitution, the City operates pursuant to the City Charter, adopted in 1961 and subsequently amended. The City also operates in accordance with other State laws including General City Law, General Municipal Law and Local Finance Law, to the extent that such laws are applicable to a City operating under a charter form of government. The City also operates in accordance with the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York.

The City is Westchester County's largest municipality, with a population of 199,766 according to the latest estimate. Ranking as the fourth largest city in New York State in terms of the number of residents, it covers an area of 18.3 square miles including more than four miles of prime waterfront land along the eastern shore of the majestic Hudson River. The downtown and central-city areas are built on rising terrain sweeping back from the Hudson River, an unrivaled geographic position in terms of natural beauty and accessibility to the pleasures and amenities that only a riverfront location can provide.

The City operates under a Mayor-Council form of government. The Mayor is elected for a four year term and is designated by the Charter to be the chief executive officer. The City Council President is elected City-wide for a four year term and the six City Council members are elected from single member districts for four year terms. All City elected officials are limited to eight years of consecutive service in the same position. The legislative power is vested in the City Council. The City Council President presides over the deliberations of the City Council. The main responsibilities of the City Council are to adopt the annual budget, levy taxes and authorize indebtedness.

The City is responsible for and maintains police, fire, sanitation, water services, streets, parks and playgrounds. Although it is also, in large measure, responsible for the financing of local primary and secondary educational expenditures, the Board of Education, comprised of members appointed by the Mayor, administers the City's school system. In 2014 the State enacted legislation entitled Chapter 55 of the Laws of 2014 known as the "Yonkers City School District Deficit Financing Act". This legislation from the State required the City and the Board of Education to enter into an inter-municipal agreement, which provides for the City to impose specific financial, operational and/or supervisory control over the Board of Education, effective June 30, 2014. Pursuant to State law, the County of Westchester, not the City, is responsible for the local funding of mandated social service programs such as Medicaid, Family Assistance and Safety Net programs. The City is financially accountable for the Yonkers Downtown Waterfront Development Corporation ("YDWDC"), the Yonkers Economic Development Corporation ("YEDC"), the New Main Street Development Corporation ("NMSDC") and the Yonkers Pier Development, Inc. ("YPDI"), legally separate entities, which are reported as discretely presented component units within the City's basic financial statements. Additional information on the component units can be found in Note 1, A in the notes to financial statements.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

Just thirty minutes from midtown Manhattan, the City is blessed with numerous distinctive residential neighborhoods, both urban and suburban in character. The City is known for its diverse and highly skilled labor force, its splendid public resources and gardens, stately historic sites and public buildings, more than 100 parks and playgrounds, elementary and higher-educational facilities closely geared to the population's evolving needs, transportation and highway networks that speed connections to the New York Metropolitan Area and beyond – plus an array of ultra-modern shopping centers and retail facilities that form a core part of the City's economy.

The City is served by two private, not-for-profit hospitals and medical-care centers, all of which have long-established reputations for technological excellence and advanced treatment. All these elements and more – the "mix" that makes the City so unique and inviting to new development and initiatives – are

manifestations of the City's underlying and ever-growing strength as a flourishing business, commercial, and manufacturing center.

The City's metropolitan area has an abundance of well located development sites for large scale corporate and business projects and for a wide diversity of "human scale projects" (entertainment, dining, cultural and arts activities and more). The latter are expected to attract constituencies made up of local families and business groups as well as those from surrounding areas. The prime development sites are readily accessible through the City's impressive network of transportation and highway facilities. The goal for revitalization of these areas is this: by creating a "new" multi-faceted Yonkers, the City is destined to become a magnet for commercial activity.

The City is taking a strategic approach in moving toward its net milestones of growth. There are two distinct, but interrelated, parts to the plan. First, the City has dedicated itself to attracting specific categories of business, highly specialized technology firms (those servicing the internet and biotech industries, for example); service and professional groups, and light manufacturing or industrial companies, seeking to expand and/or relocate in an area that is literally minutes from the nation's largest marketplace. Second, it is also focusing on the need to foster opportunities for carefully planned and responsible development of residential housing, mixed-use projects, as well as recreational, entertainment, and hotel/conference-center facilities.

Completed Economic Development Projects

- IAC Search, a high-tech internet company, completed renovations and relocated 160 employees into iPark from White Plains, New York.
- Contrafact, a bio-technology company headquartered in Yonkers since 2008, went public and added both jobs and office space at iPark.
- MetroAdvertising relocated from New York City to iPark, creating 35 new jobs and taking 25,000 square feet in office space.
- The State University of New York's Fashion Institute of Technology took two floors of iPark for a "pop-up" art gallery as part of the inaugural Yonkers Arts Weekend ("YAW").
- World-renowned architect and art collectors Maya Lin and her husband Daniel Wolf purchased the former Yonkers City Jail on the Yonkers waterfront to convert into art studio and art storage space.
- Pattern and decoration movement founder Robert Zakanitch purchased the McVicker's building to turn into a live-work art studio and gallery, relocating from Brooklyn, New York.

- Civil rights artist David Hammons, whose works are in the permanent collection of New York's Museum of Modern Art, relocated from New York City to an industrial space that will serve as a live-work artist studio and gallery in southwest Yonkers.
- Sarah Lawrence College has expanded into the Beczak Environmental Center, creating the Center for the Urban River.
- 50-52 Main Street was purchased and renovated by a private developer into 12 residential units and 2 commercial units of live-work space.
- The YONY tech initiative kicked off, creating a speaking series featuring among others: Joey Levin, Seth Godin, Tony Schwartz and David Simon.
- 5-7 Main Street was converted from a former City library to 22 residential units and one commercial unit.
- 24 Warburton Avenue was demolished to create a connection between Phase I of the "daylighted" Saw Mill River at Van der Donck Park and Phase II of the "daylighted" Saw Mill River at the Mill Street Courtyard.
- The entire block of run-down one story commercial buildings from Ann Street to Nepperhan Avenue on New Main Street was demolished to make a park and complete Phase III of the "daylighting" of the Saw Mill River.
- 45 South Broadway was purchased by a private developer, who has renovated the building for a mixed use of residential and commercial space.
- The City issued a successful request for proposal ("RFP") for a property located at 10 St. Casimir Avenue, identifying an MWBE purchaser who will relocate 70 manufacturing jobs from New York City.
- 498 Nepperhan Avenue was purchased by Oz Moving, which relocated its jobs and business from New York City.
- 470 Nepperhan Avenue was taken by the City for unpaid back taxes in order to sell or repurpose for its own use the 100,000 square foot industrial space.
- Wine in Due Time, Nahmias Etfils Distillery, Fast Linen and In2green are all women-owned businesses who have recently opened in Yonkers.
- Boyce Thompson Institute was successfully RFP'd by the City and will be adaptively re-used as a medical office and retail space in the South Westchester Executive Park. This is under construction.
- Alder Manor was sold to a developer who plans to renovate the estate for corporate retreats, destination weddings and movie and still photography shoots.
- Dreamworks' "DreamPlace North Pole Adventure" opened in Ridge Hill, the first in the country.

- Two new stores have opened at Ridge Hill including but not limited to: Bark 'N' Bones and Wine Zetta.
- 160 Warburton Avenue, the Dorado, was refinanced as affordable housing, a complete energy-saving and ADA compliant renovation will be completed by the developer.
- Cross County Shopping Center has completed construction for the conversion of a dilapidated, eight-story office building into a hotel with a capacity of 150 rooms. It was spearheaded by the City's Industrial Development Agency and is open for business bringing lodging accommodations to the southern Yonkers area.
- Redevelopment of the former Public School 6, to construct two residential buildings on the site, consisting of 50 senior units and 70 family units for those earning between 30-60% of area median income is completed.
- Ridge Hill opened 6 new stores including but not limited to: The Container Store, Starbucks, 5 Napkin Burger, Hand and Stone Spa, Muse Paintbar and the Poll Brothers' Angelo's Restaurant.
- Urban Studio Unbound, showcasing a collection of works from art students from the Fashion Institute of Technology, opened at 66 Main Street in October 2015.

Long-Term Financial Planning

The City's future projects include the following:

- Collins III – Hudson Park River Club will be a luxury rental apartment building consisting of 213 studio, one and two bedroom units, the majority of which have views of the Hudson River and Palisades or New York City. Project planning approvals are all in place and a ground breaking was held in September 2015 to launch the project.
- The City will auction off 70 Pier Street for medium density housing.
- The City will swap multiple empty lots in the downtown with the developer who owns 1104 Warburton Avenue in order to create a park that abuts the Old Croton Aqueduct with views of the Hudson River. The access and indemnity agreement is completed and a memorandum of understanding is being negotiated while the developer is completing financial disclosures.
- Mills Street Courtyard – Phase II of the daylighting of the Saw Mill River will be completed in 2016 with public art, a through vehicular and pedestrian bridge and an open public piazza.
- The Municipal Housing Authority will close on 170, 172, and 178 Warburton Avenue to create more affordable housing in addition to the recent closing of 188 Warburton Avenue.
- Rising Development-Mill Street is the conversion of occupied and vacant buildings south of the daylighting project area into mixed use residential and commercial development. Approximately

223 residential units, 38,184 square feet of retail, 78,009 square feet of office space and 229,469 square feet of a mechanized parking garage.

- RXR, in collaboration with the Rising Development-Nepperhan Street, will be demolishing an entire city block in order to build 480 residential units with on-site parking and supportive commercial and retail space. Selective demolition is underway.
- Construction is underway for 353 residential units at the River Tides apartment project on northern Warburton Avenue.
- The planned \$200 million rehabilitation of the former Glenwood Power Station into a destination place, with a hotel, conference center, spa and variety of restaurants.
- Austin Avenue – Targeted development for approximately 300,000 square feet of mixed use.
- The Longfellow School, after 40 years of abandonment, has been demolished to make way for a 70 unit residential affordable housing development.
- The H & I Site on the Hudson River between the Schrimshaw House and the American Sugar Refinery will be developed into approximately 324 luxury residences and support commercial and retail space.
- The Altman Site on Alexander Street will be developed into approximately 700 residential units with supportive commercial and retail space.
- iFly, an indoor sky-diving experience, is open in Ridge Hill.
- The MetLife building on Palmer Road will open 38 residential units within walking distance of downtown Bronxville. Construction is currently underway.
- The State University of New York’s Fashion Institute of Technology will be opening a permanent gallery at 20 Warburton Avenue across the daylighting and new RXR development on Nepperhan Street.
- The Norwich Marriott will complete its new hotel in the Southern Westchester Executive Park (“SWEP”).
- The Cintas Corporation will open a \$25 million regional services facility serving 30,000 people out of 60,000 square feet and creating 160 jobs.
- Elizabeth Seton Pediatric Center in the SWEP will expand, adding 40 beds.
- FedEx will open a distribution center on Tuckahoe Road in the former Mark Buick site.
- The Hampton Inn will open at 555 Tuckahoe Road, adjacent to the POP Displays corporate headquarters.
- Ludlow Commons/Westhab will begin construction of a \$27 million project that will create 71 affordable senior apartments at 7 Ludlow Street.

- Westhab will be converting the Good Shepherd Presbyterian Church into the Nodine Hill Community Center as part of a planned \$3 million renovation of the building that will provide job training, child care, mentoring and other services to the community.
- Phase III of the Saw Mill River Daylighting project has been RFP'd for design development and construction administration. A plan will be chosen in 2016.
- 4 vacant single family homes will be demolished at 1177-1183 Warburton Avenue and work will begin on a 3 story, 55 unit residential complex with 85 parking spaces.
- 100 residential rental micro-units proposed at iPark are under construction.

Relevant Financial Policies

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Certain elements of the City's budget process are prescribed under guidelines within the Special Local Finance and Budget Act of 1976 ("Act") for the City of Yonkers, New York. This Act was enacted and designed to prohibit the recurrence of practices that created fiscal conditions that precluded the City access to financial markets. The most significant financial components of the Act require 1) that budgeted operating expenditures be limited 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 with the State Comptroller for support, 2) that any deficits from the previous year be budgeted, 3) a provision for uncollected taxes be budgeted by a set formula, 4) that the amount of fund balance that can be appropriated for use can be no more than the amount certified by the last completed independent audit and 5) that a separate fund be established to service the City's debt obligations and that a fixed percentage of the real property tax levy and a fixed portion of sales tax monies be deposited directly to ensure sufficient funds be available to satisfy bondholders. The City Charter and the Act require the budget to be presented to the City Council by April 15th. The City Council may alter, reject, add, increase or decrease any item in the proposed budget. The City Council will hold public hearings in May, and by Charter, adopts the budget no later than June 1st. The operating budget requires a simple majority (4 votes) for approval while the capital budget requires a super majority (5 votes). The Fiscal Agent, which is the State Comptroller, reviews the operating and capital budgets after adoption by the City Council, and certifies that the budget is in compliance with the Act.

The City prepared its 2014-15 operating and capital budgets in accordance with the guidelines prescribed by the Act and the Fiscal Agent certified the City's budget. The City does not foresee any issues with its ability to comply with the guidelines in the implementation of its near and long term initiatives.

AWARDS AND ACKNOWLEDGMENTS

GFOA - Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

I would like to thank all the accounting and financial personnel who have assisted in the preparation of this report. In particular, I want to thank Maria Tavares, Director of Accounting, Patrick Luzzi, Chief Accountant, Desmond Barnett, Chief Accountant, the entire Finance Department and the Yonkers Public Schools and its Board of Trustees for their efforts, as well as our independent auditor who assisted in its preparation. I would also like to thank the Mayor and the City Council for their interest and support in the financial operations of the City.

Respectfully submitted,


JOHN LISZEWSKI
Commissioner of Finance
and Management Services

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Yonkers
New York**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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**FINANCIAL
SECTION**

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Independent Auditors' Report

The Honorable Mayor and City Council of the City of Yonkers, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City as of June 30, 2015 and the respective changes in financial position and the respective budgetary comparison for the General, Education and Education Special Aid funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2,C and Note 3,L in the notes to financial statements which disclose the effects of the City's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement Nos. 68 "*Accounting and Financial Reporting for Pensions*" and 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date*". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2016 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

January 8, 2016

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City of Yonkers, New York

Management's Discussion and Analysis (MD&A) June 30, 2015

Introduction

As management of the City of Yonkers, New York ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the City's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- For the year ended June 30, 2015, the City implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions". This pronouncement established new accounting and financial reporting requirements associated with the City's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS"), the New York State and Local Police and Fire Retirement System ("PFRS") and the New York State Teachers' Retirement System ("TRS"). Under the new standards, cost-sharing employers are required to report in their government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At June 30, 2015, the City reported in its Statement of Net Position a liability of \$31,363,099 for its proportionate share of the ERS and PFRS net pension liabilities, while also reporting a pension asset of \$164,733,013 for its proportionate share of the TRS net pension asset. More detailed information about the City's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3.L in the notes to financial statements.
- On the government-wide financial statements, the liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$820.6 million (net position). Of this amount, the unrestricted portion is a deficit of \$1.03 billion. This deficit results primarily from the accrual of certain operating liabilities pursuant to various GASB pronouncements. The liabilities will be satisfied in future years, including borrowings for judgments and claims, retirement system obligations, compensated absences, net pension liabilities and other post employment benefit ("OPEB") obligations.
- The City's total net position, as reflected in the government-wide financial statements, decreased by \$69.4 million (including an adjustment to the opening net position of \$10.2 million due to the implementation of the provisions contained in GASB Statement No. 68), from a deficit of \$751.2 million to a deficit of \$820.6 million, from the fiscal year ended June 30, 2014. The total decrease in net position resulted primarily from the increase of \$125.3 million in the accrual for the City's OPEB obligation in accordance

with the requirements of GASB Statement No. 45, partially offset by the effect of recording an increase in the net pension asset of TRS of approximately \$37 million and other positive results from operations.

- As of the close of the current fiscal year, the City's governmental fund financial statements reported a combined ending fund balance of \$163.1 million, an increase of \$60.5 million in comparison with the prior year. However, exclusive of the Capital Projects funds, the combined ending fund balances increased by \$49.3 million to \$99.0 million. Of this latter amount, \$81.3 million represents the total fund balance of the General Fund, while \$10.9 million represents the total fund balance of the Education Fund. Of the total fund balance of the General Fund, \$38.0 million is unassigned and available for spending at the City's discretion. In the Education Fund, \$6.3 million of the total fund balance is assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund of \$38.0 million represented 5.4% of total General Fund expenditures and other financing uses. The assigned fund balance for the Education Fund (exclusive of encumbrances) of \$6.3 million represented 1.2 % of the total Education Fund expenditures and other financing uses.
- During the current fiscal year, the City issued \$60.3 million in serial bonds for public and educational facilities improvements, \$37.3 million in deficit bonds for educational purposes and \$14.9 million in serial bonds for tax certiorari obligations for a total of \$112.5 million. The City also issued \$61.8 million in refunding serial bonds to advance refund \$58.7 million in higher interest rate obligations, resulting in a net present value economic gain of \$2.6 million. The City retired \$49.5 million in general obligation bonded debt. The City also entered into a contractual agreement for \$1.5 million to install energy saving fixtures and/or upgrade existing facilities at various City buildings during the fiscal year ended June 30, 2015, while at the same time retiring an equal amount in similar purpose obligations.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers of the City's financial statements with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information reflecting how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave, early retirement incentives, net pension liabilities and OPEB).

The government-wide financial statements present the functions of the City that are primarily supported by taxes and intergovernmental revenues. The governmental activities of the City include general government support, education, public safety, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements include not only the City itself (the *primary government*) but also the Yonkers Downtown Waterfront Development Corporation, the Yonkers Economic Development Corporation, the New Main Street Development Corporation and the Yonkers Pier Development, Incorporated for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on the pages immediately following this section as the first three pages of the basic financial statements.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the City are divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Education Fund, Education Special Aid Fund, Community Development Fund, City Capital Projects Fund and Education

Capital Projects Fund, which are considered to be major funds. Data for the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriation budget for its General Fund, Education Fund and Education Special Aid Fund, which are major funds. A budgetary comparison statement has been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets. The City also adopts an annual appropriation budget for the Sewer, Water, Public Library, School Lunch, City Grants and Debt Service funds, which are non-major funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City maintains only one type of fiduciary fund that is known as an agency fund. Resources are held in this fund by the City purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the required supplementary information for the City's OPEB and retirement systems' obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$820.6 million at the close of the current fiscal year.

Net Position

	June 30,	
	2015	2014
Current Assets	\$ 542,206,224	\$ 325,271,307
Capital Assets, net	629,692,306	605,773,756
Total Assets	1,171,898,530	931,045,063
Deferred Outflows of Resources	61,885,375	4,298,519
Current Liabilities	202,342,824	206,196,205
Long-term Liabilities	1,734,064,433	1,476,255,174
Total Liabilities	1,936,407,257	1,682,451,379
Deferred Inflows of Resources	118,008,391	4,142,140
Net Position		
Net investment in capital assets	197,113,917	185,485,893
Restricted	12,625,956	15,582,841
Unrestricted	(1,030,371,616)	(952,318,671)
Total Net Position	\$ (820,631,743)	\$ (751,249,937)

One component of the City's net position is its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens and consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Those assets subject to external restrictions are \$12.6 million. The remaining balance of net position, unrestricted net position, is a deficit of \$1.03 billion. This deficit must be financed from future operations. This deficit does not mean that the City does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including retirement incentives (\$92.3 million), claims payable (\$91.1 million), state loans payable (\$3.0 million), energy performance contract payable (\$7.6 million), compensated absences (\$46.7 million), net pension liability (\$31.4 million) and OPEB obligations (\$875.0 million) that are greater than currently available resources. Payments for these liabilities will be budgeted in the years that the actual payments will be made.

Changes in Net Position

REVENUES	June 30,	
	2015	2014
Program Revenues		
Charges for Services	\$ 75,713,252	\$ 67,316,919
Operating Grants and Contributions	92,534,142	91,087,054
Capital Grants and Contributions	201,359	165,268
General Revenues		
Real Property Taxes	317,266,537	302,493,214
Other Tax items	81,961,747	78,870,430
Non-Property Taxes	134,923,934	125,049,902
Forfeitures	-	975
Unrestricted Use of Money and Property	93,440	127,257
Sale of Property and Compensation for Loss	735,537	1,302,671
Unrestricted State Aid	379,624,711	333,252,133
Gain on Sale of Real Property	-	807,193
Insurance Recoveries	-	1,227,935
Miscellaneous	6,803,053	8,333,450
	1,089,857,712	1,010,034,401
 PROGRAM EXPENSES		
General Government Support	137,770,430	107,100,494
Education	609,518,158	647,422,656
Public Safety	283,662,266	275,001,739
Transportation	6,809,978	6,172,307
Culture and Recreation	29,597,372	28,498,545
Home and Community Services	82,700,233	86,636,459
Interest	19,391,454	21,239,113
	1,169,449,891	1,172,071,313
 Change in Net Position	(79,592,179)	(162,036,912)
 NET POSITION		
Net Position - Beginning, as reported	(751,249,937)	(589,213,025)
 Cumulative Effect of Change in Accounting Principle	10,210,373	-
 Net Position - Beginning, as restated	(741,039,564)	(589,213,025)
 Net Position - Ending	\$ (820,631,743)	\$ (751,249,937)

Governmental activities decreased the City's net position by \$69.4 million (inclusive of the cumulative effect of change in accounting principle for the effect of the initial implementation of the requirements of GASB Statement No. 68). The City's total governmental activities revenues were \$1.1 billion for the year ended June 30, 2015, an increase of \$80 million, or 7.9%, over the prior year. Real property taxes comprised 29%, while unrestricted State aid provided 35% of these total revenues. Governmental activities expenses of the City for the year ended June 30, 2015 totaled \$1.2 billion, a decrease of \$2.6 million, or 0.22%, from the prior year. Education expenses accounted for the largest portion (\$609.5 million or 52%), followed by public safety spending at \$284 million, or 24% of total expenses.

The major changes are as follows:

Revenues:

- Revenues from real property taxes increased by \$14.8 million. This was primarily attributable to an increase in the tax levy of approximately \$4.5 million, coupled with improved collection efforts on unpaid prior year taxes.
- Revenues from other tax items increased by \$3.1 million. This was primarily attributable to increases in gain on sale of tax acquired property, payments in lieu of taxes, and real estate transfer taxes, partially offset by reductions in interest and penalties on real property taxes and the School tax relief reimbursement.
- Revenues from non-property tax items increased by \$9.9 million. The revenues derived from the income tax surcharge increased by \$6.4 million. There was also a \$2.4 million increase in sales tax collections, due to positive economic trends and a \$1.7 million increase in cable television franchise fees due to an increase in the franchise fee rate.
- Revenues from unrestricted State aid increased by \$46.4 million, primarily related to an increase in State aid available to the Yonkers Public Schools.

Expenses:

- General government support expenses increased by \$30.7 million, primarily due to a significant increase in tax certiorari settlements and the transfer of certain expenses of the Yonkers Public Schools to the City per an inter-municipal agreement reflected in education expenses in the prior year.
- Education expenses decreased by \$37.9 million, or 6.2%, from the prior year. A portion of this decrease was the result of the transfer of certain administrative functions, totaling approximately \$5 million, of the Yonkers Public Schools being transferred to the City and reflected in the general government support function in the current year. However, the primary driver of the decrease was the result of the recording of the reduction in the net pension liability of ERS in the amount of \$4.2 million and the increase in the net pension asset of TRS of \$37.8 million. These expense reductions were partly offset by increases in operating costs, primarily associated with contractual salary and benefit increases.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the City's fiscal period ending June 30, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that either are inherently nonspendable in the current period because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$163.1 million, an increase of \$60.5 million in comparison with the prior year. Exclusive of the Capital Projects Funds, the combined fund balances totaled \$99.0 million. Of this amount, \$5.8 million is in nonspendable form (\$.663 million related to cash advances not anticipated to be repaid within one year, \$4.0 million related to loans receivable, \$.05 million for inventories, \$1.1 million for prepaid expenditures, and \$.01 million for notes receivable) while \$3.9 million is restricted for various purposes (\$3.0 million for debt service and \$.90 million for special purposes). The assigned fund balance of \$52.3 million is being utilized to 1) fund purchases (encumbrances) aggregating \$1.8 million for City purposes and \$2.2 million for Education purposes, 2) balance the subsequent year's budget (\$37.5 million for the General Fund, \$1.6 million for the Water Fund and \$.58 million for the Public Library Fund) and 3) set aside funds for various specific purposes (\$6.3 million for education, \$1.8 million for community development, and \$.23 million for public library purposes). The remainder of the total fund balance classified as unassigned represents the positive unassigned fund balance in the General Fund of \$38.0 million, which is available for use at the City's discretion, offset by a deficit balance in the Sewer Fund of \$1 million.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$81.3 million. Of this amount, \$4.2 million is in nonspendable form and includes a balance of \$4 million being set aside to fund the potential default of a similar amount of Section 108 loans reflected in the Community Development Fund. In addition, \$37.5 million is assigned for use in balancing the fiscal year 2015-2016 budget, while \$1.7 million is assigned to satisfy purchases on order at the end of the fiscal year. The remaining balance of \$38.0 million is available for use at the City's discretion. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5.4% of total General Fund expenditures and other financing uses (down from 5.8% in the prior year), while total fund balance represents 11.5% of that same amount (up from 11.44% in the prior year).

When the fiscal 2014-15 General Fund budget was adopted it anticipated the use of \$31 million in fund balance. This amount, coupled with \$2 million in General Fund encumbrances rolled over from the prior year, resulted in a total of \$33 million planned for use in balancing both the original and final 2014-15 General Fund operating budget. However, actual results yielded an increase in total fund balance of \$7.3 million. The increase in fund balance was primarily derived from better than expected revenues of \$27.8 million associated with the refund of prior year expenditures, the sale of property, prior year tax payments, personal income tax, and revenues from parking violations and housing permits and fees. The City also expended less than anticipated by \$12.4 million, including savings versus budget for payments into the retirement system, payments for employee health benefits, and short-term borrowings, as well as departmental operating savings, mainly in the administrative and financial operations of the Board of Education that were assumed by and consolidated into the City's General Fund budget in fiscal 2014-15: personnel, public affairs, comptroller, budget, purchasing, information technology, and outside litigation.

The most significant special revenue fund of the City is the Education Fund. During fiscal year 2015, the City contributed \$229 million to the Education Fund. The major revenue source within the Education Fund, besides the City's contribution, was State aid, which amounted to \$286.1 million. The Education Fund expenditures and transfers out totaled \$513.3 million. The fund balance in the Education Fund was increased by \$48.3 million during the current fiscal year. The certification and bonding of the deficit is the major contributing factor for the increase in revenue. Additional State Aid, local and miscellaneous sources also contributed to the increase in revenue. Further information for the Yonkers Public Schools can be obtained in the separately issued audited financial statements.

The City and Education Capital Projects funds reflected an increase in fund balance of \$11.1 million from the prior year, bringing the aggregate fund balances up to \$64.1 million. Total capital outlay expenditures were \$54.7 million, spent on school construction projects, various infrastructure improvements and equipment to support the City's various functions. This level of capital outlay is more than in the prior fiscal year.

General Fund Budgetary Highlights

The Special Local Finance and Budget Act of 1976 for the City prohibits any amendments to the General Fund budget (other than budget transfers), except in the case of authorized debt issuances or subsequent changes in State aid allocated to the City. Actual revenues and other financing sources exceeded the final budgetary expectations by \$27.8 million. Actual expenditures and other financing uses were \$12.6 million less than the final budget.

Overall, General Fund expenditures were \$420.0 million (excluding other financing uses), which was \$12.6 million less than the final budget. There were budgetary savings, as well as several overages, noted in various areas:

- In the general government support area, overall savings of \$5.3 million were achieved. Board of Education administrative and financial functions absorbed into City departments in 2014/15 - including personnel, public affairs, comptroller, budget, purchasing, information technology, and outside litigation - generated a combined \$3.0 million in savings, indicating the City's success in providing services for these functions more efficiently and at a reduced cost. General building services and vehicle maintenance divisions of the Department of Public Works generated a combined \$1.5 million in savings, primarily due to lower-than-expected fuel oil and gasoline prices.
- Transportation expenditures exceeded budgetary expectations by \$.78 million, due to overtime and related employee contractual compensation for snow removal during the extreme winter of 2014-15.
- Home and community services expenditures came in \$1.5 million less than budgetary expectations. Refuse disposal costs paid to Westchester County and private waste removal vendors were \$0.37 million better than budget, and the Department of Public Work's replacement of all City streetlights with high efficiency LED (Light Emitting Diodes) fixtures, through an energy performance contract, achieved \$0.66 million in electricity savings.
- Employee benefits came in \$4.7 million less than budgetary expectations. A portion of these savings, totaling \$1.3 million, was realized in less than anticipated contributions to ERS and PFRS. The City's share of contributions to social security/Medicare and health insurance were also less than budgetary expectations by \$1.6 million. Workers' compensation claims fell dramatically from the prior year, resulting in budgetary savings of \$1.7 million.
- Interest expenditures on short-term borrowings generated savings of \$1.2 million due to successful efforts to borrow more efficiently, improve cash flow management and minimize costs during the fiscal year.

The General Fund revenues were \$687 million (excluding other financing sources), which was \$27.8 million more than the final budget due to the following reasons:

- Revenues from real property taxes exceeded budgetary expectations by \$6.4 million due to the better than expected collection of prior year tax payments.
- Other tax items were better than anticipated by \$10.2 million, due to the gain on sale of tax acquired property of \$7.1 million; increased payments in lieu of taxes by \$1.10 million as a result of collection of stale and past due PILOTS; and real estate transfer taxes by \$1.4 million due to an improved housing market.
- Income tax revenues from residents and non-residents were higher than budgetary expectations by \$3.0 million. The FY14-15 Adopted Budget increased the resident income tax surcharge from 15% to 16.75%, made retroactive to January 1, 2014. Actual income tax revenues exceeded budget in part due to the recent trend of reduced unemployment.
- Departmental income exceeded budgetary expectations by \$3.7 million. Police reimbursable services revenue was \$1.0 million greater than expected, although the increase was partially mitigated by additional police overtime expenditures. The two divisions of the Administrative Adjudication Bureau , the Parking Violations Bureau and Consumer Protection Bureau , generated revenue in excess of budget estimates of a combined \$1.2 million from the collection and processing of red-light camera and parking tickets, consumer protection fines, and various licenses and permits. The Department of Housing and Buildings generated additional income of \$0.89 million with the help of a new permit software application and dedicated staff for permit collections.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2015 amounted to \$629.7 million (net of accumulated depreciation). This investment in capital assets includes land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure. The total net increase in the City's investment in capital assets for the current fiscal year was \$23.9 million.

Major capital asset events during the current fiscal year included the following:

- Citywide Water Meter Replacement
- Saw Mill River Daylighting - Phase II
- Acquisition of Heavy Duty Vehicles
- Information Technology Upgrades
- City Building Rehabilitation

The change in capital assets, net of accumulated depreciation, is reflected below.

	2015	2014
Land	\$ 24,517,166	\$ 24,517,166
Building and Improvements	348,884,055	349,499,019
Machinery and Equipment	36,867,448	29,126,066
Infrastructure	172,996,822	175,783,606
Construction-in-progress	46,726,815	26,847,899
Total	\$ 629,992,306	\$ 605,773,756

More detailed information about the City's capital assets is presented in Note 3.H in the notes to financial statements.

Long-term Debt

The City had general obligation and other long-term debt outstanding as follows:

	June 30,	
	2015	2014
Bonds Payable	\$ 570,486,892	\$ 493,769,884
Bonds Anticipation Notes Payable	-	7,065,000
Notes Payable	16,185,848	16,188,304
Loan Payable	341,770	341,770
State Loan Payable	3,000,000	3,200,000
Energy Performance Contract Payable	7,580,700	8,423,000
Compensated Absences	46,696,812	43,755,037
Net Pension Liability	31,363,099	-
Retirement Incentives and Other Pension Obligations	92,303,715	75,389,116
Claims Payable	91,079,315	78,397,475
Other Post Employment Benefit Obligation	875,026,282	749,725,588
Total	\$ 1,734,064,433	\$ 1,476,255,174

The City retired \$108.2 million of general obligation bonded debt (including \$58.7 million in refinanced obligations). The City issued \$174.3 million of new long-term debt (including \$61.8 million in refunding bonds). The City also entered into a contractual agreement for \$1.5 million to install energy saving fixtures and/or upgrade existing facilities at various City buildings during the fiscal year ended June 30, 2015.

On August 13, 2015, Moody's affirmed the long-term underlying credit rating of "A3" (stable outlook), applicable to the City's outstanding general obligation bonds issued for City purposes. Moody's also affirmed the enhanced rating of "A2 (stable outlook)" assigned to bonds issued by the City on behalf of the Board of Education on account of the State aid intercept authorized by Section 99-b of the State Finance Law.

On August 17, 2015, S&P affirmed the long-term, underlying credit rating of "A" (negative outlook), applicable to the City's general obligation bonds issued for City purposes. S&P also affirmed the enhanced rating of "A" (stable outlook), assigned to bonds issued by the City on behalf of the Board of Education on account of the State aid intercept authorized by Section 99-b of the State Finance Law. The State Constitution limits the amount of indebtedness, both long-term and short-term, which the City may incur. The State Constitution provides that the City may not contract indebtedness in an amount greater than nine percent of the average full value of taxable real property in the City for the most recent five years. Certain indebtedness is excluded in determining the City's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the City's authority to issue debt subject to the limit. At June 30, 2015, the City had used \$460,147,434, or 33.15%, of the constitutional debt limit, leaving \$927,970,389 remaining to be used.

More detailed information about the City's long-term liabilities is presented in Note 3.L in the notes to financial statements.

Economic Factors and Next Year's Budget

Economic factors were taken into account in developing the City's 2015-16 budget. The New York State fiscal year 2016 Economic and Revenue Outlook report projected increases in 2016 over 2015 for both personal income tax (5.8%) and consumption/use tax (3.8%), based on a reduction in the unemployment rate, improved household spending, and taxable sales growth in most industries. An improving housing market supported increases in mortgage recording and real estate transfer taxes. However, projected expenditures also exhibited continued growth such as in the cost of providing health benefits and pension contributions, as well as wage growth from contractual labor settlements.

The General Fund budget for fiscal year 2015-16 is \$732.8 million, as compared to the fiscal year 2014-15 budget of \$701.6 million, an increase of \$31.2 million, or 4.45%. The City elected to use \$37.5 million of the General Fund balance at June 30, 2015 to balance the fiscal year 2015-16 budget. The City's combined tax rate for City and Board of Education operations increased from \$701.59 per thousand of assessed value to \$719.87, or a 2.61% increase.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Commissioner of Finance and Management Services, City of Yonkers, Department of Finance, One Larkin Center, Third Floor, Yonkers, New York 10701 or visit the City's web page at www.yonkersny.gov.

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**BASIC
FINANCIAL STATEMENTS**

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City of Yonkers, New York

Statement of Net Position
June 30, 2015

	Primary Governmental Activities	Component Units
ASSETS		
Cash and equivalents	\$ 84,547,332	\$ 691,972
Investments	101,149,347	10,250
Restricted cash	343,709	-
Receivables		
Property taxes, net	16,546,912	-
Income taxes	592,149	-
Accounts, net	40,782,119	2,789,490
State and Federal aid	123,386,369	-
Notes	10,600	13,517,054
Loans	7,550,907	-
Loans - Component unit	1,449,802	-
Prepaid expenses	1,066,152	35,521
Inventories	47,813	-
Land held for economic development	-	6,414,237
Net pension asset	164,733,013	-
Capital assets		
Not being depreciated	71,243,981	658,485
Being depreciated, net	558,448,325	7,865,068
Total Assets	<u>1,171,898,530</u>	<u>31,982,077</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>61,885,375</u>	<u>-</u>
LIABILITIES		
Accounts payable	65,520,618	1,231,477
Accrued liabilities	32,415,455	99,263
County taxes payable	29,360,755	-
Retainages payable	1,781,052	-
Employee payroll deductions	436,998	-
Due to other governments	12,140,247	-
Unearned revenues	5,435,655	-
Due to retirement systems	46,926,407	-
Overpayments	420,256	-
Accrued interest payable	7,905,381	222,813
Line of credit payable to bank	-	1,006,716
Non-current liabilities		
Due within one year	95,228,164	604,494
Due in more than one year	1,638,836,269	12,321,802
Total Liabilities	<u>1,936,407,257</u>	<u>15,486,565</u>
DEFERRED INFLOWS OF RESOURCES	<u>118,008,391</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	197,113,917	(708,442)
Restricted		
Capital projects	1,133,645	-
Special purposes	903,458	-
Debt service	3,022,710	-
Community development projects	7,269,040	-
School lunch	297,103	-
Unrestricted	<u>(1,030,371,616)</u>	<u>17,203,954</u>
Total Net Position	<u>\$ (820,631,743)</u>	<u>\$ 16,495,512</u>

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

City of Yonkers, New York

Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government support	\$ 137,770,430	\$ 21,189,174	\$ 12,793	\$ -
Education	609,518,158	2,669,696	73,315,572	25,000
Public safety	283,662,266	13,221,978	5,287,984	-
Transportation	6,809,978	476,745	529,899	-
Culture and recreation	29,597,372	2,543,170	522,806	84,722
Home and community services	82,700,233	35,612,489	12,445,075	56,496
Interest	19,391,454	-	420,013	35,141
Total Governmental Activities	<u>\$ 1,169,449,891</u>	<u>\$ 75,713,252</u>	<u>\$ 92,534,142</u>	<u>\$ 201,359</u>
Component units	<u>\$ 1,778,126</u>	<u>\$ 503,341</u>	<u>\$ 2,534,026</u>	<u>\$ -</u>

General revenues

Real property taxes

Other tax items

 Interest and penalties on real property taxes

 Gain on sale of tax acquired property

 Payments in lieu of taxes

 Real estate transfer taxes

 School tax relief reimbursement

 Supplemental real estate taxes

 Water Fund

Non-property taxes

 Income taxes

 Sales and use taxes

 Off-track betting surcharge

 Raceway admissions taxes

 Raceway impact fees

 Utilities gross receipts taxes

 Cable television franchise fees

Unrestricted use of money and property

Sale of property and compensation for loss

Unrestricted State aid

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning, as reported

Cumulative Effect of Change in Accounting Principle

Net Position - Beginning, as restated

Net Position - Ending

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

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Component Units
\$ (116,568,463)	\$ -
(533,507,890)	-
(265,152,304)	-
(5,803,334)	-
(26,446,674)	-
(34,586,173)	-
(18,936,300)	-
<u>(1,001,001,138)</u>	<u>-</u>
-	1,259,241
317,266,537	-
4,494,675	-
7,108,689	-
19,448,654	-
9,895,128	-
35,823,145	-
475,170	-
4,716,286	-
47,650,160	-
72,828,806	-
152,537	-
28,013	-
2,500,000	-
7,416,657	-
4,347,761	-
93,440	244,180
735,537	-
379,624,711	-
6,803,053	-
<u>921,408,959</u>	<u>244,180</u>
<u>(79,592,179)</u>	<u>1,503,421</u>
(751,249,937)	14,992,091
10,210,373	-
<u>(741,039,564)</u>	<u>14,992,091</u>
<u>\$ (820,631,743)</u>	<u>\$ 16,495,512</u>

City of Yonkers, New York

Balance Sheet
Governmental Funds
June 30, 2015

	General	Education	Education Special Aid
ASSETS			
Cash and equivalents	\$ 23,157,937	\$ -	\$ -
Investments	30,909,786	-	-
Restricted cash	-	-	-
Receivables			
Property taxes, net	16,546,912	-	-
Income taxes	592,149	-	-
Accounts, net	7,752,392	9,848,184	-
State and Federal aid	20,834,388	75,411,735	15,295,683
Due from other funds	79,626,498	79,320,759	24,091,003
Advances to other funds	162,960	500,000	-
Notes	10,600	-	-
Loans	500,346	-	-
Loans - Component unit	-	-	-
	<u>126,026,245</u>	<u>165,080,678</u>	<u>39,386,686</u>
Prepaid expenditures	-	828,977	-
Inventories	-	-	-
Total Assets	<u>\$ 180,093,968</u>	<u>\$ 165,909,655</u>	<u>\$ 39,386,686</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 36,300,532	\$ 12,111,143	\$ 2,330,475
Accrued liabilities	8,015,276	20,288,294	1,023,487
County taxes payable	29,360,755	-	-
Retainages payable	-	-	-
Employee payroll deductions	436,998	-	-
Due to other governments	-	2,251,593	467,654
Due to other funds	-	81,987,070	35,065,070
Advances from other funds	-	-	500,000
Unearned revenues	1,553,734	1,547,827	-
Due to retirement systems	9,199,237	36,445,327	-
Overpayments	-	420,256	-
Total Liabilities	84,866,532	155,051,510	39,386,686
Deferred inflows of resources			
Deferred tax revenues	13,888,967	-	-
Total Liabilities and Deferred Inflows of Resources	<u>98,755,499</u>	<u>155,051,510</u>	<u>39,386,686</u>
Fund balances (deficits)			
Nonspendable	4,173,560	1,328,977	-
Restricted	-	964,300	-
Assigned	39,214,537	8,564,868	-
Unassigned	37,950,372	-	-
Total Fund Balances (Deficits)	<u>81,338,469</u>	<u>10,858,145</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 180,093,968</u>	<u>\$ 165,909,655</u>	<u>\$ 39,386,686</u>

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

Community Development	City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 8,549,871	\$ -	\$ -	\$ 52,839,524	\$ 84,547,332
-	69,887,083	-	352,478	101,149,347
343,709	-	-	-	343,709
-	-	-	-	16,546,912
-	-	-	-	592,149
211,612	-	-	22,969,931	40,782,119
955,091	-	-	10,889,472	123,386,369
55,657,268	35,718,369	35,406,500	106,700,268	416,520,665
-	-	-	-	662,960
-	-	-	-	10,600
7,050,561	-	-	-	7,550,907
1,449,802	-	-	-	1,449,802
65,324,334	35,718,369	35,406,500	140,559,671	607,502,483
237,175	-	-	-	1,066,152
-	-	-	47,813	47,813
\$ 74,455,089	\$ 105,605,452	\$ 35,406,500	\$ 193,799,486	\$ 794,656,836

\$ 448,781	\$ 3,780,926	\$ 2,998,924	\$ 7,549,837	\$ 65,520,618
92,881	-	24,262	2,971,255	32,415,455
-	-	-	-	29,360,755
-	1,781,052	-	-	1,781,052
-	-	-	-	436,998
9,421,000	-	-	-	12,140,247
56,878,678	64,977,130	3,005,943	174,606,774	416,520,665
162,960	-	-	-	662,960
5,413,297	372,854	-	3,827,664	12,715,376
-	-	-	63,421	45,707,985
-	-	-	-	420,256
72,417,597	70,911,962	6,029,129	189,018,951	617,682,367
-	-	-	-	13,888,967
72,417,597	70,911,962	6,029,129	189,018,951	631,571,334
237,175	-	-	47,813	5,787,525
-	34,693,490	29,377,371	2,961,868	67,997,029
1,800,317	-	-	2,764,324	52,344,046
-	-	-	(993,470)	36,956,902
2,037,492	34,693,490	29,377,371	4,780,535	163,085,502
\$ 74,455,089	\$ 105,605,452	\$ 35,406,500	\$ 193,799,486	\$ 794,656,836

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City of Yonkers, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
June 30, 2015

Fund Balance - Total Governmental Funds \$ 163,085,502

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 629,692,306

Governmental funds do not report the effect of losses on refunding
bonds and assets or liabilities related to net pension assets (liabilities)
whereas these amounts are deferred and amortized in the
statement of activities.

Deferred amounts on refunding bonds 9,104,143
Deferred amounts on net pension assets (liabilities) (65,227,159)

(56,123,016)

Other long-term assets that are not available to pay for current period
expenditures are reported as unearned in the funds.

Pension assets 164,733,013
Real property taxes 13,888,967
Sale of real property 500,346
State aid 1,547,827
Departmental income 5,231,548

185,901,701

Long-term liabilities that are not due and payable in the current
period and, therefore, are not reported in the funds.

Bonds payable - Judgments and claims (47,706,181)
Bonds payable - Deficit financing (37,260,000)
Bonds payable - Capital construction (485,520,711)
Notes payable (16,185,848)
Loan payable (341,770)
State loan payable (3,000,000)
Energy performance contract payable (7,580,700)
Compensated absences (46,696,812)
Net pension liability (31,363,099)
Retirement incentives and other pension obligations (92,303,715)
Claims payable (91,079,315)
Other post employment benefit obligations payable (875,026,282)
Due to retirement systems (1,218,422)
Accrued interest payable (7,905,381)

(1,743,188,236)

Net Position of Governmental Activities \$ (820,631,743)

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

City of Yonkers, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2015

	General	Education	Education Special Aid
REVENUES			
Real property taxes	\$ 315,999,359	\$ -	\$ -
Other tax items	77,245,461	-	-
Non-property taxes	134,923,934	-	-
Departmental income	36,410,151	-	-
Charges for services	-	426,107	-
Use of money and property	548,159	361,534	-
Sale of property and compensation for loss	729,756	5,781	-
Interfund revenues	-	961,887	-
State aid	114,673,842	286,122,402	16,890,352
Federal aid	1,150,929	560,478	27,081,839
Food sales	-	-	-
Miscellaneous	5,332,346	2,087,600	427,568
Total Revenues	687,013,937	290,525,789	44,399,759
EXPENDITURES			
Current			
General government support	96,617,811	-	-
Education	-	359,372,252	43,978,779
Public safety	151,930,629	-	-
Transportation	2,397,236	-	-
Culture and recreation	8,458,422	-	-
Home and community services	23,510,650	-	-
Employee benefits	129,375,045	133,530,997	1,386,123
Cost of food sales	-	-	-
Debt service			
Principal	7,065,000	1,101,171	-
Interest	622,994	686,685	-
Issuance costs	-	328,440	-
Capital Outlay			
Total Expenditures	419,977,787	495,019,545	45,364,902
Excess (Deficiency) of Revenues Over Expenditures	267,036,150	(204,493,756)	(965,143)
OTHER FINANCING SOURCES (USES)			
Bonds issued	14,924,000	37,260,000	-
Issuance premium	-	4,787,191	-
Notes issued	-	-	-
Refunding bonds issued	-	-	-
Payment to refunded bond escrow agent	-	-	-
Refunding bond issuance premium	-	-	-
Transfers in	11,415,949	228,996,846	965,143
Transfers out	(286,112,450)	(18,242,820)	-
Total Other Financing Sources (Uses)	(259,772,501)	252,801,217	965,143
Net Change in Fund Balances	7,263,649	48,307,461	-
FUND BALANCES (DEFICITS)			
Beginning of Year	74,074,820	(37,449,316)	-
End of Year	\$ 81,338,469	\$ 10,858,145	\$ -

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

Community Development	City Capital Projects	Education Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 315,999,359
-	-	-	4,716,286	81,961,747
-	-	-	-	134,923,934
631,294	-	-	34,901,913	71,943,358
-	-	-	1,277,295	1,703,402
18,934	-	-	35,141	963,768
-	-	-	-	735,537
-	-	-	-	961,887
-	-	-	5,218,105	422,904,701
5,781,638	-	-	12,807,831	47,382,715
-	-	-	1,882,055	1,882,055
483,019	141,218	25,000	333,739	8,830,490
6,914,885	141,218	25,000	61,172,365	1,090,192,953
-	-	-	-	96,617,811
-	-	-	-	403,351,031
-	-	-	5,661,397	157,592,026
-	-	-	529,899	2,927,135
-	-	-	8,217,990	16,676,412
10,441,544	-	-	33,388,197	67,340,391
-	-	-	1,935,152	266,227,317
-	-	-	7,210,892	7,210,892
-	-	-	50,961,488	59,127,659
224,765	-	-	18,712,365	20,246,809
-	-	-	2,049,871	2,378,311
-	27,368,860	27,324,967	-	54,693,827
10,666,309	27,368,860	27,324,967	128,667,251	1,154,389,621
(3,751,424)	(27,227,642)	(27,299,967)	(67,494,886)	(64,196,668)
-	33,971,000	26,365,000	-	112,520,000
-	3,212,797	619,802	-	8,619,790
-	1,492,903	-	-	1,492,903
-	-	-	61,785,000	61,785,000
-	-	-	(64,218,951)	(64,218,951)
-	-	-	4,483,822	4,483,822
-	-	-	83,216,325	324,594,263
-	-	-	(20,238,993)	(324,594,263)
-	38,676,700	26,984,802	65,027,203	124,682,564
(3,751,424)	11,449,058	(315,165)	(2,467,683)	60,485,896
5,788,916	23,244,432	29,692,536	7,248,218	102,599,606
\$ 2,037,492	\$ 34,693,490	\$ 29,377,371	\$ 4,780,535	\$ 163,085,502

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City of Yonkers, 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, 2015**

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

Net Change in Fund Balances - Total Governmental Funds **\$ 60,485,896**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay expenditures	49,900,095
Depreciation expense	<u>(25,981,545)</u>
	<u>23,918,550</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes	1,267,178
Departmental income	(631,816)
Miscellaneous income	<u>(8,716)</u>
	<u>626,646</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 in the statement of activities.

Principal paid on bonds	49,525,000
Principal paid on bond anticipation notes	7,065,000
Principal paid on notes	1,495,359
Principal paid on State loan	200,000
Principal paid on energy performance contract	842,300
Bonds issued	(112,520,000)
Notes issued	(1,492,903)
Refunding bonds issued	(61,785,000)
Issuance premium	(13,103,612)
Payment to refunded bond escrow agent	64,218,951
Amortization of loss on refunding bonds and issuance premium	<u>1,753,277</u>
	<u>(63,801,628)</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 the governmental funds.

Compensated absences	(2,941,775)
Pension assets	57,932,382
Retirement incentives and other pension obligations	(16,914,599)
Claims payable	(12,681,840)
Other post employment benefits payable	(125,300,694)
Accrued interest payable	(828,512)
Due to retirement systems	<u>(86,605)</u>
	<u>(100,821,643)</u>

Change in Net Position of Governmental Activities **\$ (79,592,179)**

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

City of Yonkers, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General, Education and Education Special Aid Funds
Year Ended June 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 309,614,564	\$ 309,614,564	\$ 315,999,359	\$ 6,384,795
Other tax items	67,011,558	67,011,558	77,245,461	10,233,903
Non-property taxes	132,451,483	132,451,483	134,923,934	2,472,451
Departmental income	32,671,665	32,671,665	36,410,151	3,738,486
Charges for services	-	-	-	-
Use of money and property	671,185	671,185	548,159	(123,026)
Forfeitures	-	-	-	-
Sale of property and compensation for loss	300,000	300,000	729,756	429,756
Interfund revenues	-	-	-	-
State aid	114,247,937	114,247,937	114,673,842	425,905
Federal aid	-	-	1,150,929	1,150,929
Miscellaneous	2,196,757	2,196,757	5,332,346	3,135,589
Total Revenues	659,165,149	659,165,149	687,013,937	27,848,788
EXPENDITURES				
Current				
General government support	96,147,737	101,881,870	96,617,811	5,264,059
Education	-	-	-	-
Public safety	153,073,986	152,611,607	151,930,629	680,978
Transportation	1,620,000	1,620,000	2,397,236	(777,236)
Culture and recreation	8,802,520	9,120,185	8,458,422	661,763
Home and community services	24,063,860	24,992,958	23,510,650	1,482,308
Employee benefits	132,342,254	134,071,142	129,375,045	4,696,097
Debt service				
Principal	-	6,424,000	7,065,000	(641,000)
Interest	1,823,624	1,823,624	622,994	1,200,630
Issuance costs	-	-	-	-
Total Expenditures	417,873,981	432,545,386	419,977,787	12,567,599
Excess (Deficiency) of Revenues Over Expenditures	241,291,168	226,619,763	267,036,150	40,416,387
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	14,924,000	14,924,000	-
Issuance premium	-	-	-	-
Transfers in	11,415,949	11,415,949	11,415,949	-
Transfers out	(285,743,213)	(285,995,808)	(286,112,450)	(116,642)
Total Other Financing Sources (Uses)	(274,327,264)	(259,655,859)	(259,772,501)	(116,642)
Net Change in Fund Balances	(33,036,096)	(33,036,096)	7,263,649	40,299,745
FUND BALANCES (DEFICITS)				
Beginning of Year	33,036,096	33,036,096	74,074,820	41,038,724
End of Year	\$ -	\$ -	\$ 81,338,469	\$ 81,338,469

Education Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
450,850	450,850	426,107	(24,743)
429,000	429,000	361,534	(67,466)
5,000	5,000	-	(5,000)
-	-	5,781	5,781
792,881	792,881	961,887	169,006
280,437,370	283,829,301	286,122,402	2,293,101
375,000	375,000	560,478	185,478
881,800	881,800	2,087,600	1,205,800
<u>283,371,901</u>	<u>286,763,832</u>	<u>290,525,789</u>	<u>3,761,957</u>
-	-	-	-
364,595,276	362,824,213	359,372,252	3,451,961
-	-	-	-
-	-	-	-
-	-	-	-
128,197,926	134,799,050	133,530,997	1,268,053
1,101,171	1,101,171	1,101,171	-
579,680	686,685	686,685	-
-	328,441	328,440	1
<u>494,474,053</u>	<u>499,739,560</u>	<u>495,019,545</u>	<u>4,720,015</u>
<u>(211,102,152)</u>	<u>(212,975,728)</u>	<u>(204,493,756)</u>	<u>8,481,972</u>
-	-	37,260,000	37,260,000
-	-	4,787,191	4,787,191
228,996,844	228,996,844	228,996,846	2
(20,179,340)	(18,305,764)	(18,242,820)	62,944
<u>208,817,504</u>	<u>210,691,080</u>	<u>252,801,217</u>	<u>42,110,137</u>
(2,284,648)	(2,284,648)	48,307,461	50,592,109
<u>2,284,648</u>	<u>2,284,648</u>	<u>(37,449,316)</u>	<u>(39,733,964)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,858,145</u>	<u>\$ 10,858,145</u>

(Continued)

City of Yonkers, New York

Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
General, Education and Education Special Aid Funds
Year Ended June 30, 2015

	Education Special Aid Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ -	\$ -	\$ -	\$ -
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
Interfund revenues	-	-	-	-
State aid	26,946,610	27,123,973	16,890,352	(10,233,621)
Federal aid	27,566,784	30,656,108	27,081,839	(3,574,269)
Miscellaneous	698,406	708,560	427,568	(280,992)
Total Revenues	55,211,800	58,488,641	44,399,759	(14,088,882)
EXPENDITURES				
Current				
General government support	-	-	-	-
Education	54,928,389	58,127,303	43,978,779	14,148,524
Public safety	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	-	-	-	-
Employee benefits	1,389,425	1,389,425	1,386,123	3,302
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Issuance costs	-	-	-	-
Total Expenditures	56,317,814	59,516,728	45,364,902	14,151,826
Excess (Deficiency) of Revenues Over Expenditures	(1,106,014)	(1,028,087)	(965,143)	62,944
OTHER FINANCING SOURCES (USES)				
Bonds issued				
Issuance premium				
Transfers in	1,106,014	1,028,087	965,143	(62,944)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	1,106,014	1,028,087	965,143	(62,944)
Net Change in Fund Balances	-	-	-	-
FUND BALANCES (DEFICITS)				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

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

City of Yonkers, New York

Statement of Assets and Liabilities

Fiduciary Fund

June 30, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and equivalents	\$ 16,562,433
Investments	126,549
Accounts receivable	<u>2,163,553</u>
 Total Assets	 <u><u>\$ 18,852,535</u></u>
LIABILITIES	
Accounts payable	\$ 896,151
Employee payroll deductions	10,831,909
Deposits	6,822,281
Student activity funds	<u>302,194</u>
 Total Liabilities	 <u><u>\$ 18,852,535</u></u>

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

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City of Yonkers, New York

Statement of Net Position
Component Units
June 30, 2015

	Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation	New Main Street Development Corporation	Yonkers Pier Development, Incorporated	Total
ASSETS					
Cash and equivalents	\$ 143,564	\$ 291,495	\$ 9,061	\$ 247,852	\$ 691,972
Investments	10,250	-	-	-	10,250
Receivables					
Accounts, net	1,388,845	97,537	1,083,108	220,000	2,789,490
Notes	-	13,517,054	-	-	13,517,054
Prepaid expenses	27,850	3,700	3,971	-	35,521
Land held for economic development	-	-	6,414,237	-	6,414,237
Capital assets					
Not being depreciated	658,485	-	-	-	658,485
Being depreciated, net	981,301	-	-	6,883,767	7,865,068
Total Assets	3,210,295	13,909,786	7,510,377	7,351,619	31,982,077
LIABILITIES					
Accounts payable	48,577	24,654	1,105,365	52,881	1,231,477
Accrued liabilities	-	99,263	-	-	99,263
Accrued interest payable	183,889	38,924	-	-	222,813
Line of credit payable to bank	1,006,716	-	-	-	1,006,716
Non-current liabilities					
Due within one year	316,873	-	-	287,621	604,494
Due in more than one year	1,625,282	2,629,000	-	8,067,520	12,321,802
Total Liabilities	3,181,337	2,791,841	1,105,365	8,408,022	15,486,565
NET POSITION					
Net investment in capital assets	(302,369)	-	-	(406,073)	(708,442)
Unrestricted	331,327	11,117,945	6,405,012	(650,330)	17,203,954
Total Net Position	\$ 28,958	\$ 11,117,945	\$ 6,405,012	\$ (1,056,403)	\$ 16,495,512

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

City of Yonkers, New York

Statement of Activities
 Component Units
 June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Yonkers Downtown Waterfront Development Corporation	\$ 586,338	\$ -	\$ 855,830
Yonkers Economic Development Corporation	376,875	282,805	-
New Main Street Development Corporation	67,927	-	1,678,196
Yonkers Pier Development, Incorporated	<u>746,986</u>	<u>220,536</u>	<u>-</u>
Total	<u>\$ 1,778,126</u>	<u>\$ 503,341</u>	<u>\$ 2,534,026</u>

General Revenues

Unrestricted use of money and property

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Expense) Revenue
and Changes in Net Position

Yonkers Downtown Waterfront Development Corporation	Yonkers Economic Development Corporation	New Main Street Development Corporation	Yonkers Pier Development, Incorporated	Total
\$ 269,492	\$ -	\$ -	-	\$ 269,492
-	(94,070)	-	-	(94,070)
-	-	1,610,269	-	1,610,269
-	-	-	(526,450)	(526,450)
269,492	(94,070)	1,610,269	(526,450)	1,259,241
215	231,854	12,068	43	244,180
269,707	137,784	1,622,337	(526,407)	1,503,421
(240,749)	10,980,161	4,782,675	(529,996)	14,992,091
<u>\$ 28,958</u>	<u>\$ 11,117,945</u>	<u>\$ 6,405,012</u>	<u>\$ (1,056,403)</u>	<u>\$ 16,495,512</u>

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Note 1 - Summary of Significant Accounting Policies

The City of Yonkers, New York ("City") was incorporated in 1872 and operates in accordance with its Charter, as revised, and the various applicable laws of the State of New York. Since 1976, the City is also governed by the provisions of the Special Local Finance and Budget Act of New York State for the City of Yonkers. The City functions under a Mayor-Council form of government. The City Council serves as the legislative body responsible for overall operation and the Mayor serves as the chief executive officer. The City provides the following services to its residents; public safety, transportation, culture and recreation, home and community services and general and administrative services. The Board of Education ("Board") of the City is responsible for providing education services to the residents of the City. The members of the Board are appointed by the Mayor. The Board is, pursuant to Section 2551 of the Education Law of the State of New York, a legally separate entity. Inasmuch as the Board has no taxing power, relies solely upon the City for appropriations, and, while it may be sued in its own name, recourse exists to the City and therefore the Board may not be defined as a separate legal entity for financial reporting purposes pursuant to the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 14, as amended by Statement No. 61. These provisions indicate that the Board is part of the primary government of the City.

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

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government which is the City, b) organizations for which the City is financially accountable and c) other organizations for which the nature and significance of their relationship with the City 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 City, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the City's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, the following component units are included in the City's reporting entity because of their operational or financial relationship with the City.

The Yonkers Downtown Waterfront Development Corporation ("YDWDC") is a not-for-profit corporation, established pursuant to Section 501(c)(3) of the Internal Revenue Code, to develop and/or rehabilitate properties in the City for the cultural and economic benefit of its citizens. The YDWDC has a December 31st fiscal year end. The Board of Directors consists of fifteen directors; six are Municipal Directors and nine are Business/Public Directors. The Business/Public Directors are appointed by the Mayor for three year terms. The Municipal Directors are: the Mayor, the Commissioner of Planning and Development, a designee of the City Council, a designee of the Yonkers members of the Westchester County ("County") Board of Legislators, a designee of the County Executive and a designee of the City's delegation to the New York State Legislature. Board members have complete responsibility for the management of the YDWDC and accountability for fiscal matters. Financial support in the form of grants, loans and property has been provided by the City through its Community Development funds. The loan portion is required to be repaid and consequently there is a potential financial burden to the City. Since the YDWDC does not provide services entirely or almost entirely to the City, the financial statements of the YDWDC have been reflected as a discretely presented component unit.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Yonkers Economic Development Corporation ("YEDC") is a not-for-profit local development corporation created under the provisions of Section 115 of the Internal Revenue Code for the purpose of assisting the Yonkers Industrial Development Agency ("YIDA") with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City by providing certain taxable and tax exempt financial assistance on occasions where incentives are no longer provided by the YIDA or in instances where the YIDA's ability to assist economic development projects has been significantly limited. The YEDC has a December 31st fiscal year end. Members of the Board of Directors of the YEDC are appointed by the Mayor. YEDC members have complete responsibility for management of the YEDC and accountability for fiscal matters. The City is not liable for YEDC bonds or notes. The governing board of the YEDC serves at the pleasure of the Mayor and, therefore, the City is able to impose its will on the YEDC. Since the YEDC does not provide services entirely or almost entirely to the City, the financial statements of the YEDC have been reflected as a discretely presented component unit.

The New Main Street Development Corporation ("NMSDC") was created in 2007 as a local development corporation by the City under the provisions of Section 115 of the Internal Revenue Code to promote and provide for additional and maximum employment opportunities, promote economic development, lessen the burden of government and act in the public interest. Specific focuses of the NMSDC are the redevelopment of distressed areas in downtown Yonkers and the day lighting of the Saw Mill River. The NMSDC has a December 31st fiscal year end. The NMSDC is governed by Article 18-A of the General Municipal Law of the State of New York. The NMSDC is exempt from Federal, State and local income taxes. The sole member of the NMSDC shall be the Deputy Mayor of the City, ex officio. The NMSDC is managed by a Board of Directors that serves at the pleasure of the sole member and, therefore, the City is considered able to impose its will on the NMSDC. Since the NMSDC does not provide services entirely or almost entirely to the City, the financial statements of the NMSDC have been reflected as a discretely presented component unit.

The Yonkers Pier Development, Incorporated ("YPDI") is a not-for-profit local development corporation created under the provisions of Section 115 of the Internal Revenue Code for the purpose of renovating and improving the pier located on the waterfront of the Hudson River. Included in the project is 8,000 square feet of building space, to be utilized as a commercial restaurant and concession. The YPDI has a December 31st fiscal year end. YPDI is governed by Article 18-A of the General Municipal Law of the State of New York. The YPDI is exempt from Federal, State and local income taxes. Members of the Board of Directors of the YPDI are appointed by the Mayor. YPDI members have complete responsibility for management of the YPDI and accountability for fiscal matters. The City is not liable for YPDI bonds or notes. The governing board of the YPDI serves at the pleasure of the Mayor and, therefore, the City is able to impose its will on the YPDI. Since the YPDI does not provide services entirely or almost entirely to the City, the financial statements of the YPDI have been reflected as a discretely presented component unit.

Complete financial statements of the individual component units can be obtained from their respective administrative offices at the addresses indicated below:

Yonkers Downtown Waterfront Development Corporation
City Hall - Room 414
Yonkers, New York 10705

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Yonkers Economic Development Corporation
87 Nepperhan Avenue
Yonkers, New York 10701

New Main Street Development Corporation
87 Nepperhan Avenue
Yonkers, New York 10701

Yonkers Pier Development, Incorporated
87 Nepperhan Avenue
Yonkers, New York 10701

The following organizations are related to the City:

The Yonkers Industrial Development Agency ("YIDA") is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the inhabitants of the City. Members of the YIDA are appointed by the Mayor for a specified term. YIDA members have complete responsibility for management of the YIDA and accountability for fiscal matters. The City is not liable for YIDA bonds or notes.

The Yonkers Housing Authority ("YHA") is a public benefit corporation created by State legislation to promote the development of adequate housing for the citizens of the City. Members of the YHA are appointed by the Mayor for a specified term. YHA members have complete responsibility for management of the YHA and accountability for fiscal matters. The City is not liable for YHA bonds or notes.

The Yonkers Parking Authority ("YPA") is a public benefit corporation created to service and operate the City's parking facilities. Members of the YPA are appointed by the Mayor for a specified term. While the City does provide some accounting services, YPA members have complete responsibility for management of the YPA and accountability for fiscal matters. The City is not liable for YPA bonds or notes.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. The primary government is reported separately from the legally separate component units.

The Statement of Net Position presents the financial position of the City and its component units 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. Taxes and other items

Note 1 - Summary of Significant Accounting Policies (Continued)

not identified as program revenues are reported as general revenues. The City does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-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 City 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 or 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 City 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 government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The City'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 are the City's major governmental funds.

General Fund – The General Fund constitutes the primary operating fund of the City and is used to account for and 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 or committed to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the City are as follows:

Education Fund - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York. The primary revenue sources for this fund are real property taxes transferred from the General Fund and State aid.

Note 1 - Summary of Significant Accounting Policies (Continued)

Education Special Aid Fund - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local sources of funds.

Community Development Fund - The Community Development Fund is used to record the operations of the grant programs operated by the City's Community Development Agency ("Agency"). The primary revenue source for this fund is federal aid.

City Capital Projects Fund - The City 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 for City purposes.

Education Capital Projects Fund - The Education 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 for School District purposes.

The City also reports the following non-major governmental funds:

Special Revenue Funds:

Sewer Fund - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.

Water Fund - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.

Public Library Fund - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.

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

City Grants Fund - The City Grants Fund is used to record the financial activity of certain Federal, State and local funded grant programs.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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 government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, claims, certain pension costs and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Component Units

The component units are presented on the basis of accounting that most accurately reflect their activities. The YDWDC, YEDC, NMSDC and YPDI are accounted for using the economic resources measurement focus and the accrual basis of accounting.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The City's deposit and investment policies are governed by State statutes. The City 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 City is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the City's policy provides for no credit risk on its deposits or investments.

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 City 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 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.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. GASB Statement No. 40 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 City's name. The City's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2015.

Investments - All investments are stated at fair value, which is based on quoted market prices. The detail of these investments and their related risks are described in Note 3A.

The City was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Restricted Cash - Certain assets are classified as restricted because their use is limited. Restricted cash included in the Community Development Fund will serve as collateral to fund any shortfalls in debt service payments relating to a financial assistance agreement with the YEDC (component unit).

Note 1 - Summary of Significant Accounting Policies (Continued)

Property Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on the date confirmed by the City Council. The taxes are payable in three installments. The first installment is due on the later of thirty days after confirmation by the City Council or July 6th. The second and third installments are due on October 6th and January 6th, respectively. The City is also responsible for the billing and collection of the City's share of the real property tax levy of the County. County taxes are generally billed in the first ten days of March and are payable in one installment on April 6th. The City guarantees the full payment of the County warrant and assumes responsibility for uncollected taxes.

The City functions in both a fiduciary and guarantor relationship with the County with respect to the collection and payment of real property taxes levied by the County. The County Charter provides for the City to collect the taxes and remit them as collected to the County, except that the City must remit sixty percent of the amount levied by the County on May 25th and the balance of forty percent on October 15th. Thus, the City's fiduciary responsibility is from the date of the levy until October 15th, at which time the City must satisfy its obligation to the County regardless of the amounts collected.

The City's financial statements include an allowance for uncollectible taxes which was established based on collection experience.

Income Taxes Receivable - The City Council, with approval by the State of New York, has imposed an income tax surcharge on residents and a non-resident gross receipts tax. The State of New York acts as the intermediary collecting agent for the City and remits collections, less an administrative charge, to the City on a monthly basis.

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

Due From/To Other Funds - During the course of its operations, the City 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, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in the government-wide financial statements. Prepaid expenses/expenditures consist of various costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year and will benefit such periods. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these

Note 1 - Summary of Significant Accounting Policies (Continued)

amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - Inventories in the School Lunch Fund consist of food and supplies and are recorded at cost on a first-in, first-out basis or, in the case of surplus food, at a stated value which approximates market. These inventories consist primarily of items held for consumption. The cost is recorded as inventory at the time individual inventory items are purchased. The City 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. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase and year-end balances are not material.

Capital Assets - Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and used an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year).

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

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

Class	Life in Years
Primary Government:	
Buildings and Improvements	15-100
Machinery and Equipment	5-20
Infrastructure	20-50
Component Units:	
Buildings and Improvements	40
Leasehold Improvements	20

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In the government-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 City has reported unearned revenues of \$1,553,734 for accounts and loans receivable in the General Fund, \$1,547,827 for State aid in the Education Fund, \$5,413,297 for loans receivable and Federal aid in excess of expenditures in the Community Development Fund, \$372,854 for State and local aid received in advance in the City Capital Projects Fund and \$3,827,664 for Federal and State aid in excess of expenditures in non-major governmental funds - City Grants Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The City reported deferred outflows of resources of \$9,104,143 for a deferred loss on refunding bonds in the government-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 City also reported deferred inflows of resources of \$13,888,967 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The City also reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the City's pension plans in Note 3,L.

Long-term Liabilities - In the government-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 bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Capital Projects or Debt Service fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation, sick and terminal leave upon separation from service. The liability for such accumulated leave is reflected in the government-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 City's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System, the New York State and Local Police and Fire Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date*".

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

Fund Balance - 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 City 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 Education Law of the State of New York.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 City Council is the highest level of decision making authority for the City that can, by the adoption of ordinances submitted to them by the Mayor prior to the end of the fiscal year, commit fund balance. The Board of Education is the highest level of decision making authority for School District operations that can, by the adoption of resolutions prior to the end of the fiscal year, commit fund balance. These funds may only be used for the purpose specified unless the City or Board of Education 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 City Council and/or the Board of Education.

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

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

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City'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, certain Special Revenue and Capital Projects funds. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 January 8, 2016.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

Certain elements of the City's budget process are prescribed by the Special Local Finance and Budget Act of 1976 ("Act"). This Act limits budgeted expenditures to amounts not less than those of the previous audited year and requires revenues to be estimated at not more than those of the previous audited year, unless justification documents have been filed with the Office of the State Comptroller as support.

The City generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) The various operating departments generally submit their requests for the ensuing year's appropriations in January.
- b) During January and February, these requests are reviewed by the Budget Department.
- c) The Mayor reviews the departmental requests during February and March.
- d) The Charter and the Act require the budget to be presented to the City Council by April 15th.
- e) The budget is referred to the Council's Budget Committee for deliberations and hearings.
- f) The City Council sets dates for the public hearings which are generally held in May.
- g) After the public hearings, the City Council adopts the budget which, by Charter, may not be later than June 1st or thirty days after adoption of the New York State budget, whichever is later.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- h) The Fiscal Agent (State Comptroller), as defined by the Act, reviews the budget to determine the justification documents required.
- i) After adoption, the Fiscal Agent certifies that the budget is in compliance with the Act.
- j) Formal budgetary integration is employed during the year as a management control device for General, certain Special Revenue and Debt Service funds.
- k) Budgets for General, certain Special Revenue and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. Capital Projects and Community Development funds are budgeted on a project basis. The City Council does not adopt an annual budget for the Special Purpose Fund.
- l) The City Charter has established legislative legal control of the City budget at the function level of expenditures. All transfers between appropriation accounts, at the function level, except those within the Executive Department, require approval by the City Council. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Council. The legally adopted budget for the Board of Education 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 require Board of Education and City Council approval.
- m) Appropriations in General, certain Special Revenue 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 City Council. Major amendments in the General Fund for the current year are as follows:

Tax certiorari obligations funded by bonds	<u>\$ 14,924,000</u>
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B. Property Tax Limitation

The City is permitted by the Constitution of the State of New York to levy taxes up to 2% of the five year average full valuation of taxable real estate located within the City, exclusive of the amount raised for the payment of interest on and redemption of long-term debt, judgments and claims and tax certiorari obligations. In accordance with this definition, the maximum amount of the tax levy for the 2014-2015 fiscal year was \$308,470,629, which exceeded the actual levy by \$39,637,819.

The Act requires the City to report its property tax revenues on a gross basis. Accordingly, uncollected taxes are recorded as an expenditure in the General Fund rather than as a reduction to property tax revenues.

Note 2 - Stewardship, Compliance and Accountability (Continued)

On June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a City in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the City to increase its overall real property tax levy for City purposes over the tax levy of the prior year for City purposes by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The City is required to calculate its tax levy limit for City purposes for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the City, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the City, as well as real property taxes levied on behalf of the Board of Education. The City Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the City Council first enacts, by a vote of at least sixty percent of the total voting power of the City Council, a local law to override such limit for such coming fiscal year.

C. Cumulative Effect of Change in Accounting Principle

For the year ended June 30, 2015, the City implemented 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*". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$10,210,373.

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

D. Expenditures in Excess of Budget

The following categories of expenditure exceeded their budgetary provisions by the amounts indicated:

General Fund:		
Fiscal Services -		
Assessment	\$	10,152
Staff Administrative and Advisory -		
Traffic engineering and street lighting		18,576
Special Items:		
Reserve for uncollected taxes		1,389,765
Assessment review and repayments		504,346
Metropolitan commuter transportation mobility tax		31,032
Grant cash match		602,132
Public Safety:		
Police department		121,636
Fire prevention and control -		
Communications		23,766
Transportation -		
Snow and ice control		777,236
Employee Benefits -		
Disabled firefighters' 207A supplemental pension		94,338
Debt Service:		
Principal - Bond anticipation notes		641,000
Interest - Revenue anticipation notes		297,929
Transfers Out:		
Education Fund		2
City Debt Service Fund		116,642
City Debt Service Fund -		
Principal - Bonds		336,000

E. Fund Deficit

The Sewer Fund reflects an unassigned deficit of \$993,470 as of June 30, 2015. This deficit is attributable to revenues falling short of budgetary expectations. The City plans to address this deficit in the ensuing year.

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds

A. Investments

Investments of the primary government consist of the following:

Fund	Certificates of Deposit	Repurchase Agreements	U.S. Treasury Bills	Total Amortized Cost Which Approximates Fair Value
General	\$ 1,436,001	\$ 1,002,959	\$ 28,470,826	\$ 30,909,786
City Capital Projects	-	-	69,887,083	69,887,083
Special Purpose	352,478	-	-	352,478
Agency	126,549	-	-	126,549
	<u>\$ 1,915,028</u>	<u>\$ 1,002,959</u>	<u>\$ 98,357,909</u>	<u>\$ 101,275,896</u>

The certificates of deposit are fixed rate investments that have maturities that are of a duration of between four and twelve months and are secured by FDIC coverage and collateral posted by the respective depository. The repurchase agreements are reinvested on a daily basis and are secured by the underlying investments in U.S. Treasury obligations held by a third party financial institution in the City's name. Accordingly, this group of investments is not subject to custodial credit risk, interest rate risk or foreign currency risk.

Investments of the YDWDC component unit consist of certificates of deposit that have maturities greater than three months and are secured by FDIC coverage.

B. Property Taxes Receivable

Taxes receivable at June 30, 2015 consisted of the following:

Current year - City taxes	\$ 10,310,087
Current year - County taxes	3,576,203
Prior years - City and County taxes	10,607,183
Tax sale certificates	3,791,448
Property acquired for taxes	<u>3,761,047</u>
	32,045,968
Less - Allowance for uncollectible taxes	<u>(15,499,056)</u>
	<u>\$ 16,546,912</u>

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$13,888,967, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

Note 3 - Detailed Notes on All Funds (Continued)

C. Notes Receivable - Component Unit

Notes receivable of \$13,517,054 reflected in the YEDC (component unit) financial statements represents loans made to private developers for the construction of a public access parking garage and affordable housing units in the downtown Larkin Plaza area. The repayment terms, interest rates and maturities of each loan vary.

D. Loans Receivable

Loans receivable of \$500,346 reported in the General Fund as of June 30, 2015 represents a loan to the YPA (component unit) as consideration for a permit of use. The repayment terms require thirty annual payments of \$34,170, including interest at 5% per annum.

Loans receivable of \$7,050,561 reported in the Community Development Fund as of June 30, 2015 represent various loans issued to qualifying recipients under the Federal Home Investment Partnership Program, the Commercial Loan Program and the Section 108 Loan Program. The repayment terms and interest rates of each loan vary. It is the City's policy to recognize monthly payments as revenue in the year payment is received in the fund financial statements.

In the fund financial statements, portions of the above amounts have been reflected as unearned revenue since the amounts are not deemed "available" pursuant to generally accepted accounting principles.

E. Loans Receivable - Component Unit

Loans receivable - Component unit of \$1,449,802 in the Community Development Fund as of June 30, 2015 represent various loans issued between October 1995 and September 2009 to the YDWDC (component unit). The repayment terms, interest rates and maturities of each loan vary. The loans are secured by properties owned by the YDWDC. A portion of the above amount has been reflected as unearned revenue in the fund financial statements since the amount is not deemed "available" pursuant to generally accepted accounting principles.

F. Land Held for Economic Development - Component Unit

The NMSDC (component unit) records land held for economic development at cost. Cost includes land and property acquisition and other related closing costs. Once acquired, the properties will be condemned and redeveloped as waterfront open space.

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

G. Due From/To Other Funds

The balances reflected as due from/to other funds at June 30, 2015 were as follows:

Fund	Due From	Due To
General	\$ 79,626,498	\$ -
Education	79,320,759	81,987,070
Education Special Aid	24,091,003	35,065,070
Community Development	55,657,268	56,878,678
City Capital Projects	35,718,369	64,977,130
Education Capital Projects	35,406,500	3,005,943
Non-Major Governmental Funds	106,700,268	174,606,774
	<u>\$ 416,520,665</u>	<u>\$ 416,520,665</u>

The outstanding balances between funds results 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.

H. Capital Assets

Changes in the City's capital assets are as follows:

Class	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets, not being depreciated:				
Land	\$ 24,517,166	\$ -	\$ -	\$ 24,517,166
Construction-in-progress	26,847,899	22,302,853	2,423,937	46,726,815
Total Capital Assets, not being depreciated	<u>\$ 51,365,065</u>	<u>\$ 22,302,853</u>	<u>\$ 2,423,937</u>	<u>\$ 71,243,981</u>
Capital assets, being depreciated:				
Buildings and Improvements	\$ 532,793,429	\$ 12,244,963	\$ -	\$ 545,038,392
Machinery and Equipment	128,220,963	13,973,096	1,601,390	140,592,669
Infrastructure	224,446,485	3,803,120	-	228,249,605
Total Capital Assets, being depreciated	<u>885,460,877</u>	<u>30,021,179</u>	<u>1,601,390</u>	<u>913,880,666</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	183,294,410	12,859,927	-	196,154,337
Machinery and Equipment	99,094,897	6,531,714	1,601,390	104,025,221
Infrastructure	48,662,879	6,589,904	-	55,252,783
Total Accumulated Depreciation	<u>331,052,186</u>	<u>25,981,545</u>	<u>1,601,390</u>	<u>355,432,341</u>
Total Capital Assets, being depreciated, net	<u>554,408,691</u>	<u>4,039,634</u>	<u>-</u>	<u>558,448,325</u>
Capital Assets, net	<u>\$ 605,773,756</u>	<u>\$ 26,342,487</u>	<u>\$ 2,423,937</u>	<u>\$ 629,692,306</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to City functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 7,406,610
Education	8,284,519
Public Safety	2,187,967
Transportation	207,794
Culture and Recreation	4,792,241
Home and Community Services	<u>3,102,414</u>
Total Depreciation Expense	<u>\$ 25,981,545</u>

Net Investment in Capital Assets

The City's net investment in capital assets at June 30, 2015 as reflected in the Statement of Net Position consists of the following:

Capital Assets, net		\$ 629,692,306
Less:		
Bonds Payable - Capital Construction	(456,438,819)	
Unamortized Premium on Capital Construction Bonds	(24,414,381)	
Energy Performance Contract Payable	(7,580,700)	
Notes Payable	<u>(16,185,848)</u>	(504,619,748)
Plus:		
Unamortized Loss on Refunding Bonds	9,104,143	
Unexpended Bond Proceeds	<u>62,937,216</u>	<u>72,041,359</u>
		<u>\$ 197,113,917</u>

Capital Assets - Component Units

Changes in the capital assets of the YDWDC (component unit) were as follows:

Class	Balance January 1, 2014	Additions	Balance December 31, 2014
Capital Assets, not being depreciated - Land	<u>\$ 658,485</u>	<u>\$ -</u>	<u>\$ 658,485</u>
Capital Assets, being depreciated - Buildings and Improvements	\$ 1,841,198	\$ -	\$ 1,841,198
Less Accumulated Depreciation for - Buildings and Improvements	<u>804,264</u>	<u>55,633</u>	<u>859,897</u>
Total Capital Assets, being depreciated, net	<u>1,036,934</u>	<u>(55,633)</u>	<u>981,301</u>
Capital Assets, net	<u>\$ 1,695,419</u>	<u>\$ (55,633)</u>	<u>\$ 1,639,786</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Changes in the capital assets of the YPDI (component unit) were as follows:

Class	Balance January 1, 2014	Additions	Balance December 31, 2014
Capital Assets, not being depreciated - Leasehold Improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Less Accumulated Depreciation for - Leasehold Improvements	<u>3,579,557</u>	<u>550,701</u>	<u>4,130,258</u>
Capital Assets, net	<u>\$ 7,434,468</u>	<u>\$ 550,701</u>	<u>\$ 6,883,767</u>

I. Accrued Liabilities

Accrued liabilities at June 30, 2015 were as follows:

	Fund						Total Governmental
	General	Education	Education Special Aid	Community Development	Education Capital Projects	Non-Major Governmental	
Payroll and Employee Benefits	\$ 6,502,205	\$ 13,774,000	\$ 676,278	\$ -	\$ -	\$ 401,531	\$ 21,354,014
Tuition	-	4,930,537	-	-	-	-	4,930,537
Other	1,513,071	1,583,757	347,209	92,881	24,262	2,569,724	6,130,904
	<u>\$ 8,015,276</u>	<u>\$ 20,288,294</u>	<u>\$ 1,023,487</u>	<u>\$ 92,881</u>	<u>\$ 24,262</u>	<u>\$ 2,971,255</u>	<u>\$ 32,415,455</u>

J. Short-Term Non-Capital Borrowings

The schedule below details the changes in short-term non-capital borrowings. The borrowings consisted of notes issued in anticipation of the collection of State aid for the 2014-2015 fiscal year.

	Balance July 1, 2014	Issues	Redemptions	Balance June 30, 2015
Revenue Anticipation Notes				
General Fund	\$ -	\$ 40,000,000	\$ 40,000,000	\$ -
General Fund	-	30,000,000	30,000,000	-
	<u>\$ -</u>	<u>\$ 70,000,000</u>	<u>\$ 70,000,000</u>	<u>\$ -</u>

The \$40 million revenue anticipation note was issued on July 2, 2014 and was redeemed on June 30, 2015 with interest at 0.72%. The \$30 million revenue anticipation note was issued on March 5, 2015 and was redeemed on April 2, 2015 with interest at 0.50%. Interest expenditure/expense

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

of \$297,929 was recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

K. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2014	New Issues	Redemptions	Balance June 30, 2015
Bond Anticipation Notes:							
City Capital Projects Fund							
Various Capital Projects	2013	n/a	n/a %	\$ 8,881,000	\$ -	\$ 8,881,000	\$ -
Education Capital Projects Fund							
Various Capital Projects	2013	n/a	n/a	5,205,900	-	5,205,900	-
				<u>\$ 14,086,900</u>	<u>\$ -</u>	<u>\$ 14,086,900</u>	<u>\$ -</u>

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

Interest expenditures of \$182,547 and \$107,006 were charged to the General and Education Funds, respectively. Interest expense of \$92,971 was recorded in the government-wide financial statements.

L. Long-Term Liabilities

The following table summarizes changes in the City's long-term liabilities for the year ended June 30, 2015:

	Balance July 1, 2014 As Reported	Cumulative Effect of Change in Accounting Principle	Balance July 1, 2014 As Restated	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2015	Due Within One Year
Governmental Activities:							
Bonds Payable:							
General Fund	\$ 271,775,854	\$ -	\$ 271,775,854	\$ 65,490,255	\$ 51,567,788	\$ 285,698,321	\$ 28,033,658
Education Fund	140,820,686	-	140,820,686	78,055,000	30,889,620	187,986,066	17,272,520
Water Fund	25,583,660	-	25,583,660	16,874,563	10,480,713	31,977,510	2,599,944
Sewer Fund	31,409,516	-	31,409,516	12,806,293	13,877,673	30,338,136	3,101,455
Public Library Fund	5,720,284	-	5,720,284	1,078,889	1,394,206	5,404,967	872,423
	<u>475,310,000</u>	<u>-</u>	<u>475,310,000</u>	<u>174,305,000</u>	<u>108,210,000</u>	<u>541,405,000</u>	<u>51,880,000</u>
Plus - Unamortized Premium on bonds	<u>18,459,884</u>	<u>-</u>	<u>18,459,884</u>	<u>13,103,612</u>	<u>2,481,604</u>	<u>29,081,892</u>	<u>-</u>
	<u>493,769,884</u>	<u>-</u>	<u>493,769,884</u>	<u>187,408,612</u>	<u>110,691,604</u>	<u>570,486,892</u>	<u>51,880,000</u>
Bond Anticipation Notes Payable	<u>7,065,000</u>	<u>-</u>	<u>7,065,000</u>	<u>-</u>	<u>7,065,000</u>	<u>-</u>	<u>-</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	Balance July 1, 2014 As Reported	Cumulative Effect of Change in Accounting Principle	Balance July 1, 2014 As Restated	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2015	Due Within One Year
Notes Payable	\$ 16,188,304	\$ -	\$ 16,188,304	\$ 1,492,903	\$ 1,495,359	\$ 16,185,848	\$ 1,522,455
Loan Payable	341,770	-	341,770	-	-	341,770	-
State Loan Payable	3,200,000	-	3,200,000	-	200,000	3,000,000	200,000
Energy Performance Contract Payable	8,423,000	-	8,423,000	-	842,300	7,580,700	842,300
Other Non-current Liabilities:							
Compensated Absences	43,755,037	-	43,755,037	7,321,775	4,380,000	46,696,812	4,668,000
Net Pension Liability	-	44,260,312	44,260,312	-	12,897,213	31,363,099	-
Retirement Incentives and Other Pension Obligations	75,389,116	-	75,389,116	29,886,770	12,972,171	92,303,715	12,625,962
Claims Payable	78,397,475	-	78,397,475	38,553,309	25,871,469	91,079,315	23,489,447
Other Post Employment Benefit Obligations	749,725,588	-	749,725,588	176,856,020	51,555,326	875,026,282	-
Total Other Non-current Liabilities	947,267,216	44,260,312	991,527,528	252,617,874	107,676,179	1,136,469,223	40,783,409
Governmental Activities Long-Term Liabilities	\$ 1,476,255,174	\$ 44,260,312	\$ 1,520,515,486	\$ 441,519,389	\$ 227,970,442	\$ 1,734,064,433	\$ 95,228,164
Component Units:							
Yonkers Downtown Waterfront Development Corporation - Loans:							
Primary Government	\$ 1,591,091	\$ -	\$ 1,591,091	\$ -	\$ 141,289	\$ 1,449,802	\$ 304,846
Other	502,658	-	502,658	-	10,305	492,353	12,027
	2,093,749	-	2,093,749	-	151,594	1,942,155	316,873
Yonkers Economic Development Corporation - Loans - Other	2,629,000	-	2,629,000	-	-	2,629,000	-
Yonkers Pier Development, Inc. - Loans - Other	8,473,579	-	8,473,579	-	118,438	8,355,141	287,621
Component Units Long-Term Liabilities	\$ 13,196,328	\$ -	\$ 13,196,328	\$ -	\$ 270,032	\$ 12,926,296	\$ 604,494

Each governmental fund's liability for compensated absences, net pension liability, retirement incentives and other pension obligations, claims payable and other postemployment benefit obligations are primarily liquidated by the General and Education Funds. The City's indebtedness for bonds, loans, state loans and energy performance contract debt is satisfied by the City and Education Debt Service Funds, respectively, which are funded primarily by the General and Education Funds, respectively.

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Bonds Payable

Bonds payable at June 30, 2015 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at June 30, 2015
Environmental Facilities Corporation Refunding Bonds	1998 D	\$ 5,000,000	April 2018	2.662-3.132 %	\$ 915,000
Public Improvements	2005 A	72,700,000	August 2019	5.0	36,560,000
Public Improvements	2005 B	78,420,000	August 2035	5.0	55,365,000
Educational Facilities Improvements	2006 A	44,850,000	September 2016	4.0	2,895,000
Public Improvements	2006 B	7,790,000	September 2016	4.25-4.5	920,000
Educational Facilities Improvements	2007 A	33,685,000	May 2017	5.0	5,440,000
Public Improvements	2007 B	15,190,000	May 2017	4.125	1,355,000
Educational Facilities Improvements	2008 A	38,690,000	November 2020	3.125-5.0	21,630,000
Qualified Zone Academy Bonds - Educational Facilities Improvements	2008 B	17,985,000	November 2030	3.0-5.0	14,405,000
Qualified Zone Academy Bonds - Educational Facilities Improvements	2008 C	14,164,000	December 2018	-	6,500,000
Public Improvements	2009 A	13,836,000	December 2019	0.35	6,970,000
Public Improvements	2010 A	37,185,000	November 2024	2.0-5.0	25,935,000
Public Improvements	2011 A	85,575,000	October 2024	5.0	68,010,000
Public Improvements	2011 B	12,555,000	October 2027	4.0-5.0	10,745,000
Qualified School Construction Bonds - Educational Facilities Improvements	2011 C	15,000,000	December 2026	5.75	12,000,000
Refunding Bonds	2012 A	37,040,000	August 2030	3.0-4.0	33,980,000
Education Refunding Bonds	2012 B	12,110,000	July 2018	3.0	10,945,000
Public Improvements	2012 C	30,330,000	August 2026	3.0-4.0	28,245,000
Educational Facilities Improvements	2012 D	26,590,000	August 2025	3.0	24,720,000
Refunding Bonds	2014 A	47,355,000	September, 2031	3.0-5.0	47,015,000
Education Refunding Bonds	2014 B	14,430,000	September, 2027	2.5-5.0	14,335,000
Public Improvements	2014 C	35,175,000	October, 2025	2.0-5.0	35,175,000
Educational Facilities Improvements	2014 D	21,355,000	October, 2029	2.5-3.0	21,355,000
Education Deficit Bond	2015 A	37,260,000	March, 2025	4.0-5.0	37,260,000
Public Improvements	2015 B	13,720,000	August, 2024	2.0-5.0	13,720,000
Educational Facilities Improvements	2015 C	5,010,000	August, 2018	2.0-4.0	5,010,000
					<u>\$ 541,405,000</u>

Interest expenditures of \$13,874,063 and \$4,825,448 were recorded in the fund financial statements in the City and Education Debt Service Funds, respectively. Interest expense of \$18,164,593 was recorded in the government-wide financial statements.

Bond Anticipation Notes Payable

The schedule below details the changes in long-term non-capital borrowings:

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance July 1, 2014	New Issues	Redemptions	Balance June 30, 2015
Tax Certiorari	2013	n/a	n/a %	<u>\$ 7,065,000</u>	<u>\$ -</u>	<u>\$ 7,065,000</u>	<u>\$ -</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditure of \$142,518 was recorded in the fund financial statements in the General Fund. Interest expense of \$43,926 was recorded in the government-wide financial statements for governmental activities.

Notes Payable

The City, in 2003-04, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's skating rink to enhance performance. The terms of the contract provide for repayment over twenty years, with monthly installments of \$5,051 through January, 2024. Payments include interest at 0.51%. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2015 was \$504,138.

The City, in 2003-04, entered into a contractual agreement to upgrade existing facilities at the N-Valley Technology Center to enhance performance. The terms of the contract provide for repayment over twelve years, with monthly installments of \$9,586 through December, 2016. Payments include interest at 0.53%. The balance due at June 30, 2015 was \$152,805.

The City, in 2008-09, entered into a contractual agreement to install energy saving equipment and/or to upgrade existing facilities at the City's Pier to enhance performance. The terms of the contract provide for repayment over fifteen years, with monthly installments of \$9,762 through March, 2024. Payments include interest at 0.53%. The balance due at June 30, 2015 was \$982,737.

The City, in 2014-15, entered into a contractual agreement to install energy saving fixtures and/or upgrade existing facilities at various City buildings. The terms of the contract provide for repayment over fifteen years, with monthly installments of \$8,617 through September, 2030. Payments include interest at 0.51%. The balance due at June 30, 2015 was \$1,492,903.

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 in varying amounts from \$156,660 to \$943,580 including interest at 4.44%, through October, 2024. The balance due at June 30, 2015 was \$6,950,000.

During 2011, the School District entered into a contractual agreement to finance energy saving 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, 2015 was \$6,103,265.

Interest expenditures of \$12,854 and \$579,679 were recorded in the fund financial statements in the City Debt Service Fund and the Education Fund, respectively. Interest expense of \$567,270 was recorded in the government-wide financial statements.

Loan Payable

The Agency has a loan payable to a bank in the amount of \$341,770 which bears interest at 2.16%. The proceeds have been deposited into a restricted cash account. These borrowings were used to fund an interest reserve such that the Agency would pledge the proceeds of the loan as a collateral

Note 3 - Detailed Notes on All Funds (Continued)

device for the obligations of the Agency to cover any shortfalls in debt service costs associated with a financial assistance agreement with the YEDC (component unit). The interest costs, representing an amount equal to 2% over interest earnings on the restricted cash proceeds held on deposit, were \$7,485 and were recorded in the fund financial statements in the Community Development Fund and in the government-wide financial statements. The loan is secured by a second lien leasehold mortgage and security agreement along with a second lien assignment of leases and rents on a ground lease on property located in the City. The note matures in August 2023.

The Agency also guaranteed a \$14,000,000 New Market Tax Credit ("NMTC") transaction for the construction of the Yonkers Larkin Garage. The NMTC transaction required seven years (28 quarterly interest only payments of \$54,320). The first six payments were made directly by Yonkers Larkin Garage, Inc. (a private not for profit entity not controlled by the City)("YLG") during the construction of the garage. Since its opening in early 2013, the garage has failed to achieve profitability and is incapable of servicing this debt. The Agency has received a quarterly payment demand from YLGI and Solomon Hess (the administrative agent for the NMTC transaction). As a result, there were four quarterly payments made by the Agency during the fiscal year ended June 30, 2015. Interest expense/expenditures of \$217,280 were recorded in the fund financial statements in the Community Development Fund and in the government-wide financial statements.

State Loan Payable

The State of New York, pursuant to Chapter 88 of the Laws of 2000, accelerated \$6 million of Education 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, 2015, the City has recorded a liability of \$3,000,000.

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

Energy Performance Contract Payable

The City, in 2013-14, entered into a \$8,423,000 contractual agreement to install energy saving street lights. The terms of the agreement provide for ten annual payments of \$842,300 at no interest through July 2024. The contract further provides that the savings in energy costs resulting from this modernization will equal or exceed the payment terms. The balance due at June 30, 2015 was \$7,580,700.

City of Yonkers, New York

Notes to Financial Statements (Continued)
 June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt, notes and State loans outstanding as of June 30, 2015, including interest payments of \$142,893,939 are as follows:

Year Ending June 30,	Bonds		Notes		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 51,880,000	\$ 21,678,177	\$ 1,522,455	\$ 547,283	\$ -	\$ 7,382
2017	59,815,000	19,056,030	1,532,775	498,800	-	7,382
2018	56,840,000	16,737,043	1,563,928	446,342	-	7,382
2019	57,460,000	14,453,461	1,630,336	391,133	-	7,382
2020	43,985,000	12,409,627	1,754,746	305,709	-	7,382
2021-2025	175,870,000	38,734,025	7,646,053	727,775	341,770	29,528
2026-2030	62,925,000	12,533,601	509,724	7,293	-	-
2031-2035	27,750,000	4,179,180	25,831	22	-	-
2036	4,880,000	122,000	-	-	-	-
	<u>\$ 541,405,000</u>	<u>\$ 139,903,144</u>	<u>\$ 16,185,848</u>	<u>\$ 2,924,357</u>	<u>\$ 341,770</u>	<u>\$ 66,438</u>

Year Ending June 30,	State Loan	Energy Performance Contract	Total	
	Principal	Principal	Principal	Interest
2016	\$ 200,000	\$ 842,300	\$ 54,444,755	\$ 22,232,842
2017	200,000	842,300	62,390,075	19,562,212
2018	200,000	842,300	59,446,228	17,190,767
2019	200,000	842,300	60,132,636	14,851,976
2020	200,000	842,300	46,782,046	12,722,718
2021-2025	1,000,000	3,369,200	188,227,023	39,491,328
2026-2030	1,000,000	-	64,434,724	12,540,894
2031-2035	-	-	27,775,831	4,179,202
2036	-	-	4,880,000	122,000
	<u>\$ 3,000,000</u>	<u>\$ 7,580,700</u>	<u>\$ 568,513,318</u>	<u>\$ 142,893,939</u>

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

Advance Refunding

During the current fiscal year, the City issued \$61,785,000 in serial bonds with interest rates ranging from 2.0% to 5.0%, depending on maturity. The proceeds were used to advance refund \$32,335,000 of the 2006 Series A public improvement serial bonds bearing interest at rates ranging from 3.9% to 5.0%, \$3,880,000 of the 2006 Series B educational facilities improvements serial bonds bearing interest at rates ranging from 4.0% to 4.5%, \$12,610,000 of the 2007 Series A public improvement serial bonds bearing interest at the rate of 5% and \$9,860,000 of the 2007 Series B educational facilities improvements serial bonds bearing interest at rates ranging from 4.125% to 4.25%. The net proceeds of \$64,218,951 (net of a \$4,483,822 re-offering premium and after payment of \$2,049,871 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust

Note 3 - Detailed Notes on All Funds (Continued)

with an escrow agent to provide for all future debt service payments on the 2006 Series A, 2006 Series B, 2007 Series A and 2007 Series B serial bonds. As a result, the 2006 Series A, 2006 Series B, 2007 Series A and 2007 Series B serial bonds are 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 \$5,533,951 and the premium received was \$4,483,822. These amounts are being netted against the new debt and amortized over the remaining life of the refunded debt.

The City advance refunded the 2006 Series A, 2006 Series B, 2007 Series A and 2007 Series B serial bonds to reduce its total debt service payments over 16 years by \$3,646,898 and to obtain a net present value economic gain of \$2,583,701.

As of June 30, 2015, the defeased bonds outstanding associated with the current year's advance refunding were \$58,685,000.

Prior Year Defeasance

In the prior year, the City defeased serial bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. As of June 30, 2015, the total defeased bonds outstanding from the prior year were \$9,675,000.

Compensated Absences

City employees earn vacation leave based upon the terms of the respective collective bargaining agreements. Vacation leave is accumulated monthly and is payable upon termination. The maximum accumulation is dependent upon length of service and varies with each agreement. City employees, with at least 20 years of service to the City, are entitled to terminal leave upon retirement. Eligible employees receive one and one-half day's pay for each year of service to the City. Accumulated sick and personal leave lapses when employees leave the employ of the City and, upon separation of service, no monetary obligation exists. Additionally, certain School District employees with at least 20 years of service to the School District are entitled to receive payment for accumulated unused sick days upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Pension Plans

New York State and Local Retirement System

The City participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 System, 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 City also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System 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/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who 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 System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2015 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	27.7 %
	2 75I	25.3
	3 A15	20.3
	4 A15	20.3
	5 A15	16.6
	6 A15	10.9
PFRS	1 384E2	32.9 %
	2 384E	32.4
	3 384E	26.1
	5 384E	24.6
	6 384E	15.6

At June 30, 2015, the City reported a liability of \$18,159,151 for its proportionate share of the net pension liability of ERS and a liability of \$13,203,948 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability 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. At June 30, 2015, the City's proportion was .5409689% for ERS and 4.7969082% for PFRS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2014.

For the year ended June 30, 2015, the City recognized pension expense in the government-wide financial statements of \$16,757,625 for ERS and \$29,522,224 for PFRS. Pension expenditures of \$15,879,434 for ERS and \$28,044,044 for PFRS were recorded in the fund financial statements and were charged to the following funds:

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 9,224,531	\$ 28,044,044
Education Fund	5,532,960	-
Education Special Aid Fund	319,205	-
Sewer Fund	273,404	-
School Lunch Fund	<u>529,334</u>	<u>-</u>
Total	<u>\$ 15,879,434</u>	<u>\$ 28,044,044</u>

At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 581,295	\$ -	\$ 1,592,312	\$ -
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	3,154,014	-	4,433,004	-
Changes in proportion and differences between City contributions and proportionate share of contributions	1,293,666	-	-	4,734,764
City contributions subsequent to the measurement date	<u>4,043,169</u>	<u>-</u>	<u>6,366,184</u>	<u>-</u>
	<u>\$ 9,072,144</u>	<u>\$ -</u>	<u>\$ 12,391,500</u>	<u>\$ 4,734,764</u>

\$4,043,169 and \$6,366,184 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the City's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	<u>ERS</u>		<u>PFRS</u>	
2016	\$	1,257,243	\$	479,761
2017		1,257,243		479,761
2018		1,257,243		479,761
2019		1,257,246		479,761
2020		-		(628,492)
Thereafter		-		-

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total

Note 3 - Detailed Notes on All Funds (Continued)

pension liabilities to March 31, 2015. The total pension liabilities for the March 31, 2014 measurement date were determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9% in ERS, 6.0% in PFRS indexed by service
Investment rate of return	7.5% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% annually

Annuitant mortality rates are based on the April 1, 2005 – March 31, 2010 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

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 equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. 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

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 City's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
City's proportionate share of the ERS net pension liability (asset)	<u>\$ 121,038,601</u>	<u>\$ 18,159,151</u>	<u>\$ (68,696,614)</u>
City's proportionate share of the PFRS net pension liability (asset)	<u>\$ 175,803,656</u>	<u>\$ 13,203,948</u>	<u>\$ (123,064,420)</u>

The components of the collective net pension liability as of the March 31, 2015 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 164,591,504,000	\$ 28,474,417,000	\$ 193,065,921,000
Fiduciary net position	<u>161,213,259,000</u>	<u>28,199,157,000</u>	<u>189,415,416,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>	<u>\$ 275,260,000</u>	<u>\$ 3,653,505,000</u>
Fiduciary net position as a percentage of total pension liability	<u>97.9%</u>	<u>99.0%</u>	<u>98.1%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Accrued retirement contributions as of June 30, 2015 represent the projected employer contribution for the period of April 1, 2015 through June 30, 2015 based on paid ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS and PFRS as of June 30, 2015 were \$4,043,169 and \$6,366,184, respectively.

Teachers' Retirement System

The City 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

Note 3 - Detailed Notes on All Funds (Continued)

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.

The TRS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% depending on salary levels for their entire length of service. 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 rate for the plan's year ending in 2015 was 17.53%.

At June 30, 2015, the City reported an asset of \$164,733,013 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The City's proportion of the net pension asset was based on the City's contributions to the pension plan relative to the contributions of all participating members. At June 30, 2014, the City's proportion was 1.447884%, which was an increase of .038764% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense in the government-wide financial statements of \$(6,425,636). Pension expenditures of \$28,575,991 and \$2,798,407 were recorded in the fund financial statements and were charged to the Education and Education Special Aid funds, respectively. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,408,919
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	110,636,121
Changes in proportion and differences between City contributions and proportionate share of contributions	-	228,587
City contributions subsequent to the measurement date	<u>31,317,588</u>	<u>-</u>
	<u>\$ 31,317,588</u>	<u>\$ 113,273,627</u>

\$31,317,588 reported as deferred outflows of resources related to TRS resulting from the City's accrued contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred

Note 3 - Detailed Notes on All Funds (Continued)

outflows of resources and deferred inflows of resources related to TRS will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2015	\$ 27,965,717
2016	27,965,717
2017	27,965,717
2018	27,965,717
2019	306,687
Thereafter	1,104,072

The total pension liability for the June 30, 2014 measurement date was determined by using an actuarial valuation as of June 30, 2013, with update procedures used to roll forward the total pension liability to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by using an actuarial valuation as of June 30, 2012, with update procedures used to roll forward the total pension liability to June 30, 2013. These actuarial valuations used the following actuarial assumptions:

Inflation	3.0%		
Projected salary increases	Rates of increase differ based on age and gender. They have been calculated based upon recent TRS member experience.		
		<u>Age</u>	<u>Female</u>
			<u>Male</u>
		25	10.35 %
		35	6.27
		45	5.04
		55	4.01
Projected COLAs	1.625% compounded annually		
Investment rate of return	8.0% compounded annually, net of pension plan investment expense, including inflation		

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale AA.

The actuarial assumptions used in the June 30, 2013 and 2012 valuations were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

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

City of Yonkers, New York

Notes to Financial Statements (Continued)
 June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

performance. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of the valuation dates of June 30, 2013 and 2012 are summarized in the following table:

Asset Class:	Target Allocation		Long-Term Expected Real Rate of Return*	
	2013	2012	2013	2012
Equities:				
Domestic equities	37 %	37 %	7.3 %	7.0 %
International equities	18	18	8.5	9.1
Real estate	10	10	5.0	4.9
Alternative investments	7	7	11.0	10.2
Total Equities	72	72		
Fixed Income:				
Domestic fixed income securities	18	18	1.5	2.0
Global fixed income securities	2	2	1.4	1.7
Mortgages	8	8	3.4	4.0
Short-term	-	-	0.8	1.2
Total Fixed Income	28	28		
Total	100 %	100 %		

*Real rates of return are net of the long-term inflation assumption of 2.3% for 2013 and 2012.

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, TRS'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 City's proportionate share of the net pension asset calculated using the discount rate of 8.0%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage point lower (7.0%) or one percentage point higher (9.0%) than the current rate:

City of Yonkers, New York

Notes to Financial Statements (Continued)
 June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
City's proportionate share of the net pension asset	<u>\$ 3,553,522</u>	<u>\$ 164,733,013</u>	<u>\$ 302,080,323</u>

The components of the collective net pension asset of TRS as of the June 30, 2014 measurement date were as follows:

Total pension liability	\$ 97,015,706,548
TRS fiduciary net position	<u>108,155,083,127</u>
Employers' net pension asset	<u>\$ 11,139,376,579</u>
TRS fiduciary net position as a percentage of total pension liability	<u>111.48%</u>

Employer and employee contributions for the year ended June 30, 2015 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, 2015 represent employee and employer contributions for the fiscal year ended June 30, 2015 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 to TRS as of June 30, 2015 were \$35,451,730.

Retirement Incentives and Other Pension Obligations

The ERS and PFRS charges to participating governments increased significantly in 2003. Consequently, the State Legislature enacted legislation in 2003 and 2004 that authorized local governments to amortize a portion of their respective contributions due in 2004, 2005 and 2006 and pay each of these obligations over a ten year period with interest at 5% per annum. The City and School District elected to amortize the maximum allowable ERS and PFRS contributions for each respective year as noted in the table below.

In June 2010, the City and Board of Education approved a workforce reduction plan. An integral part of the plan was the adoption of Parts A and B of the 2010 Retirement Incentive Program offered by ERS, PFRS and TRS. Part A of the program provided eligible employees one month of additional service credit for each year of service up to 36 months. Part B of the program provided for no age reduction if the employees were at least age 55 with 25 years or more years of service credit. Participating employers were not required to eliminate vacated positions provided they could demonstrate, over a two year period, savings of at least one-half of the base salary of the retiring employee. The estimated cost of the program was to be approximately 60% of the employee's final average salary. Payments are being made over a five year period with interest at 7.5%. The current year cost and balance due are noted in the table below.

City of Yonkers, New York

Notes to Financial Statements (Continued)
 June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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 rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual 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 City and the School District have elected to amortize the maximum allowable ERS contribution in each of the fiscal years since this option was first offered which is outlined in the table below.

Chapter 57 of the Laws of 2013, Part BB, authorized local governments, at their option, to amortize a portion of their respective TRS contributions beginning in 2014. Stabilization rates will continue through 2020. The deferred contribution for years one through five will be amortized over a five-year period, with payments beginning in year six. Interest on deferred amounts will be based on the monthly average yield on 10-year U.S. Treasury securities for the twelve month period that precedes August 1 of the applicable deferred year, plus 1%. The School District has elected to amortize the maximum allowable TRS contribution for 2014 and 2015 as noted in the table below.

	Original Amount Amortized	Interest Accrued	Current Year Payments	Balance Due	Due Within One Year
2004-2005 ERS	\$ 5,418,285	\$ -	\$ 697,425	\$ -	\$ -
2004-2005 PFRS	12,442,380	-	1,621,202	-	-
2005-2006 ERS	837,201	-	108,128	100,775	100,775
2005-2006 PFRS	8,385,668	-	1,092,625	989,302	989,302
2006-2007 PFRS	9,051,881	-	1,172,260	2,179,713	1,063,274
2010-2011 ERS	1,584,724	-	203,981	1,041,678	153,145
2010-2011 PFRS	2,947,725	-	381,744	1,937,614	284,863
2010-2011 ERS Incentive	6,954,333	-	1,657,868	1,550,321	1,550,321
2010-2011 TRS Incentive	11,071,749	-	2,823,462	2,631,182	2,436,280
2011-2012 ERS	4,343,262	-	526,414	3,203,669	408,704
2011-2012 PFRS	6,050,195	-	736,680	4,462,733	569,327
2012-2013 ERS	8,517,369	-	996,713	7,009,131	788,221
2012-2013 PFRS	9,860,670	-	1,160,251	8,114,563	912,534
2013-2014 ERS	10,737,043	-	1,125,696	10,012,576	751,708
2013-2014 PFRS	15,605,577	-	1,647,318	14,552,612	1,092,557
2013-2014 TRS	4,631,076	83,774	-	4,714,850	-
2014-2015 ERS	10,938,294	-	-	10,938,294	749,098
2014-2015 PFRS	11,328,976	-	-	11,328,976	775,853
2014-2015 TRS	7,535,726	-	-	7,535,726	-
	<u>\$ 148,242,134</u>	<u>\$ 83,774</u>	<u>\$ 15,951,767</u>	<u>\$ 92,303,715</u>	<u>\$ 12,625,962</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The current year payments were charged to retirement expenditures in the funds identified below:

<u>Fund</u>	<u>TRS</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
General Fund	\$ -	\$ 2,877,828	\$ 7,812,080	\$ 10,689,908
Education Fund	2,823,462	2,438,397	-	5,261,859
	<u>\$ 2,823,462</u>	<u>\$ 5,316,225</u>	<u>\$ 7,812,080</u>	<u>\$ 15,951,767</u>

Claims Payable

The government-wide financial statements reflects general and workers' compensation liabilities which are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2014</u>	
	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
Balance - Beginning of Year	\$ 27,505,000	\$ 22,918,000	\$ 26,991,000	\$ 19,771,000
Provision for Claims and Claims Adjustment Expenses	373,846	16,741,123	2,372,611	14,561,768
Claims and Claims Adjustment Expenses Paid	<u>(999,846)</u>	<u>(9,596,123)</u>	<u>(1,858,611)</u>	<u>(11,414,768)</u>
Balance - End of Year	<u>\$ 26,879,000</u>	<u>\$ 30,063,000</u>	<u>\$ 27,505,000</u>	<u>\$ 22,918,000</u>
Due Within One Year	<u>\$ 999,846</u>	<u>\$ 9,596,123</u>	<u>\$ 1,858,611</u>	<u>\$ 11,414,768</u>

Claims payable also includes a liability of \$11,482,659 for court ordered tax certiorari refunds which were not due and payable at year end and \$22,654,656 for settlements reached between the City and several bargaining units. These amounts have been recorded as an expense and liability in the government-wide financial statements.

Note 3 - Detailed Notes on All Funds (Continued)

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the City provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the City may vary according to length of service. The cost of providing post-employment health care benefits is shared between the City and the retired employee. Substantially all of the City's employees may become eligible for these benefits if they reach normal retirement age while working for the City. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds. Separate financial statements are not issued for the plan.

The City's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 established standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The City is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed increase in postretirement benefits is as follows:

Year Ended June 30,	Healthcare Cost Trend Assumption	
	Pre-65	Post-65
2016	8.00 %	8.00 %
2017	7.50	7.50
2018	7.00	7.00
2019	6.50	6.50
2020	6.00	6.00
2021	5.50	5.50
2022+	5.00	5.00

City of Yonkers, New York

Notes to Financial Statements (Continued)

June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The amortization basis is the level dollar method with an open amortization approach with 22 years remaining in the amortization period. The actuarial assumptions include a 4% investment rate of return and a 4% inflation rate. The actuarial assumptions do not include a salary increase factor, since benefits and contribution rates for these benefits are not salary based. The projected unit credit method was used to determine the actuarial value of the assets of the OPEB plan, however, the City currently has no assets set aside for the purpose of paying postemployment benefits.

The number of participants as of June 30, 2015 was as follows:

Active Employees	5,133
Retired Employees	3,961
	<u>9,094</u>

Amortization Component	
Actuarial Accrued Liability as of July 1, 2014	\$ 1,797,753,339
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 1,797,753,339</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	\$ 465,865,414
UAAL as a Percentage of Covered Payroll	<u>385.90%</u>
Annual Required Contribution	\$ 154,565,952
Interest on Net OPEB Obligation	29,989,024
Adjustment to Annual Required Contribution	<u>(7,698,956)</u>
Annual OPEB Cost	176,856,020
Contributions Made	<u>(51,555,326)</u>
Increase in Net OPEB Obligation	125,300,694
Net OPEB Obligation - Beginning of Year	<u>749,725,588</u>
Net OPEB Obligation - End of Year	<u>\$ 875,026,282</u>

City of Yonkers, New York

Notes to Financial Statements (Continued)
June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and the two preceding years is as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 176,856,020	29.2 %	\$ 875,026,282
2014	166,410,515	28.8	749,725,588
2013	156,519,570	29.6	631,182,816

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

Component Unit - Loans

The YDWDC (component unit) has received loans from the Community Development Fund that have an outstanding balance of \$1,449,802 as of December 31, 2014. These loans have various due dates ranging from August 2016 through December 2019. The interest rates on these loans range from 1% to 5.99%, depending upon maturity.

The YDWDC (component unit) also has received a loan from Community Preservation Corporation that has an outstanding balance of \$492,353 as of December 31, 2014. This loan matures in May 2035. The interest rate on this loan is 6.5%.

The YEDC (component unit) has a loan payable to the bank which bears interest at prime plus 2% for the period from June 2011 through June 2018, at which time the rate will be fixed at 6.5% per annum. The loan is secured by a ground lease and a first lien mortgage on certain properties located in the City. Interest is due quarterly through the loan's maturity in June 2023, at which time the principal amount is due in its entirety. The principal balance outstanding at December 31, 2014 was \$2,629,000. The City provided an additional guaranty on this obligation.

The YPDI (component unit) has entered into four lower tier notes with NDC New Markets Investments XXII, L.P. with aggregate principal obligations of \$7,289,840 at December 31, 2014. Interest only payments are required on a quarterly basis. Principal repayments began April 1, 2015. The interest rates on three of the notes range from .5% to 1.055%, with interest on the fourth note calculated at the 3 month LIBOR rate plus 20 basis points. The loans have various due dates ranging from April 2027 through April 2043.

The YPDI (component unit) also has entered into a contractual agreement with the New York Power Authority to install energy saving equipment and/or upgrading existing facilities at the Pier. The terms of the loan provide for repayment over fifteen years in monthly installments of principal and interest. Interest is charged at .82%. The principal balance on this obligation at December 31, 2014 was \$1,065,301.

Note 3 - Detailed Notes on All Funds (Continued)

M. Revenues and Expenditures

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
	General	Education	Education Special Aid	Non-Major Governmental	
General	\$ -	\$ 228,996,846	\$ -	\$ 57,115,604	\$ 286,112,450
Education	-	-	965,143	17,277,677	18,242,820
Non-Major Governmental	11,415,949	-	-	8,823,044	20,238,993
	<u>\$ 11,415,949</u>	<u>\$ 228,996,846</u>	<u>\$ 965,143</u>	<u>\$ 83,216,325</u>	<u>\$ 324,594,263</u>

Transfers are used to 1) move funds from the General Fund to the Education Fund to provide local funding for the City's public school operations, 2) move funds from the operating funds to the Debt Service Fund as debt service principal and interest payments become due and 3) move amounts earmarked in the operating funds to fulfill commitments for Special Aid and School Lunch funds expenditures.

N. Significant Commitments – Encumbrances

As discussed in Note 2,A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2015, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

City of Yonkers, New York

Notes to Financial Statements (Continued)

June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

General Fund:

General government support:

Parking violations bureau - supplies	\$ 8,595
Management information services - rental of equipment	71,515
General services - wearing apparel and supplies, rental of space	53,506
Vehicle maintenance - gasoline, diesel and other supplies	350,776
Special items - litigation costs	207,444
Other	483,172

Public safety:

Police department - equipment and supplies, guns and ammunition 189,527

Fire department:

Administration services	7,030
Apparel, supplies and equipment	200,523
Other	3,884
Housing and building department - equipment	136

Culture and recreation -

Parks department - supplies and equipment 16,047

Home and community services:

Sanitation - Refuse disposal equipment and supplies	64,559
Shade tree bureau - Outside labor	10,838
Other	48,107

Employee benefits -

Contractual services 3,983

Total General Fund 1,719,642

Education Fund -

Equipment, supplies and contractual services 2,215,699

Water Fund -

Water department - equipment and supplies 69,251

Sewer Fund -

Equipment and supplies 5,824

\$ 4,010,416

O. 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 amounts restricted for capital projects less unexpended bond proceeds and unrestricted interest earnings.

Note 3 - Detailed Notes on All Funds (Continued)

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

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 Community Development Projects - the component of net position that reports the difference between assets and liabilities of the Community Development Funds with constraints placed on their use by the United States Department of Housing and Urban Development.

Restricted for School Lunch - the component of net position that reports the difference between assets and liabilities in the School Lunch Fund.

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

City of Yonkers, New York

Notes to Financial Statements (Continued)

June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

P. Fund Balance

	2015						Total
	General Fund	Education Fund	Community Development Fund	City Capital Projects Fund	Education Capital Projects Fund	Non-Major Governmental Funds	
Nonspendable:							
Notes receivable	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,600
Advances	162,960	500,000	-	-	-	-	662,960
Loans receivable	4,000,000	-	-	-	-	-	4,000,000
Prepaid expenditures	-	828,977	237,175	-	-	-	1,066,152
Inventories	-	-	-	-	-	47,813	47,813
Total Nonspendable	4,173,560	1,328,977	237,175	-	-	47,813	5,787,525
Restricted:							
Debt service	-	964,300	-	-	-	2,058,410	3,022,710
Capital projects	-	-	-	34,693,490	29,377,371	-	64,070,861
Special purposes	-	-	-	-	-	903,458	903,458
Total Restricted	-	964,300	-	34,693,490	29,377,371	2,961,868	67,997,029
Assigned:							
Purchases on order:							
General government support	1,175,008	-	-	-	-	-	1,175,008
Education	-	2,215,699	-	-	-	-	2,215,699
Public safety	401,100	-	-	-	-	-	401,100
Culture and recreation	16,047	-	-	-	-	-	16,047
Home and community services	123,504	-	-	-	-	69,251	192,755
Employee benefits	3,983	-	-	-	-	-	3,983
	1,719,642	2,215,699	-	-	-	69,251	4,004,592
For subsequent year's expenditures:							
General Fund	37,494,895	-	-	-	-	-	37,494,895
Water Fund	-	-	-	-	-	1,633,952	1,633,952
Public Library Fund	-	-	-	-	-	580,330	580,330
Education purposes	-	6,349,169	-	-	-	-	6,349,169
Community development purposes	-	-	1,800,317	-	-	-	1,800,317
Public library purposes	-	-	-	-	-	231,501	231,501
School Lunch Fund	-	-	-	-	-	249,290	249,290
Total Assigned	39,214,537	8,564,868	1,800,317	-	-	2,764,324	52,344,046
Unassigned:							
Purchases on order -							
Home and community services	-	-	-	-	-	5,824	5,824
General Fund	37,950,372	-	-	-	-	-	37,950,372
Sewer Fund	-	-	-	-	-	(999,294)	(999,294)
Total Unassigned	37,950,372	-	-	-	-	(993,470)	36,956,902
Total Fund Balances	\$ 81,338,469	\$ 10,858,145	\$ 2,037,492	\$ 34,693,490	\$ 29,377,371	\$ 4,780,535	\$ 163,085,502

City of Yonkers, New York

Notes to Financial Statements (Continued)

June 30, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	2014						Total
	General Fund	Education Fund	Community Development Fund	City Capital Projects Fund	Education Capital Projects Fund	Non-Major Governmental Funds	
Nonspendable:							
Notes receivable	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,600
Advances	2,600,229	1,020,487	-	-	-	-	3,620,716
Long-term receivables	933,000	-	2,600,229	-	-	-	3,533,229
Prepaid expenditures	-	-	124,299	-	-	-	124,299
Inventories	-	-	-	-	-	143,505	143,505
Total Nonspendable	3,543,829	1,020,487	2,724,528	-	-	143,505	7,432,349
Restricted:							
Debt service	-	-	-	-	-	1,660,134	1,660,134
Capital projects	-	-	-	23,244,432	29,692,536	-	52,936,968
Special purposes	-	-	-	-	-	890,304	890,304
Total Restricted	-	-	-	23,244,432	29,692,536	2,550,438	55,487,406
Assigned:							
Purchases on order:							
General government support	1,315,845	-	-	-	-	-	1,315,845
Public safety	587,176	-	-	-	-	-	587,176
Culture and recreation	19,958	-	-	-	-	-	19,958
Home and community services	126,835	-	-	-	-	143,256	270,091
Employee benefits	6,452	-	-	-	-	-	6,452
	2,056,266	-	-	-	-	143,256	2,199,522
For subsequent year's expenditures:							
General Fund	30,979,830	-	-	-	-	-	30,979,830
Water Fund	-	-	-	-	-	639,891	639,891
Community development purposes	-	-	3,064,388	-	-	-	3,064,388
Public library purposes	-	-	-	-	-	580,330	580,330
Water purposes	-	-	-	-	-	3,599,913	3,599,913
Total Assigned	33,036,096	-	3,064,388	-	-	4,963,390	41,063,874
Unassigned							
Purchases on order:							
Education	-	2,284,648	-	-	-	-	2,284,648
Home and community services	-	-	-	-	-	40,277	40,277
General Fund	37,494,895	-	-	-	-	-	37,494,895
Education Fund	-	(40,754,451)	-	-	-	-	(40,754,451)
Sewer Fund	-	-	-	-	-	(449,392)	(449,392)
Total Unassigned	37,494,895	(38,469,803)	-	-	-	(409,115)	(1,384,023)
Total Fund Balances	\$ 74,074,820	\$ (37,449,316)	\$ 5,788,916	\$ 23,244,432	\$ 29,692,536	\$ 7,248,218	\$ 102,599,606

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.

Notes Receivable has been classified as nonspendable to indicate that such funds do not represent "available" spendable resources even though they are a component of current assets.

Advances have been classified as restricted to indicate the long-term nature of funds advanced to the Community Development Fund and the Education Special Aid Fund. These funds do not represent "available spendable resources" even though they are a component of current assets.

Loans Receivable represents funds set aside in the General Fund to indicate the uncertainty of the collectability of certain Section 108 loans in the Community Development Fund. 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.

Prepaid Expenditures has been provided to account for 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.

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.

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

The Special Local Finance and Budget Act for the City provides that any operating surplus of prior years, not in excess of the amount of the aggregate fund balance of the various operating funds of the City as of the end of the previous fiscal year, can be included as a financing source in the preparation of the next budget. Similarly, any deficits created in the current year must be provided for in the next budget. Accordingly, at June 30, 2015, the City has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represent amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the non-major governmental funds represents the deficit fund balance in the Sewer Fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The City, in common with other municipalities, receives numerous notices of claims for money damages arising generally from false arrest and imprisonment, malicious prosecution, personal injury and breach of civil rights. The filing of such claims commences a statutory period for initiating judicial action. The City is self-insured with respect to most tort matters and, in the opinion of the City's Corporation Counsel, any resulting exposure in these cases would be funded through the issuance of indebtedness and would not have an adverse impact on the City's current financial condition.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Several employment discrimination and tort case claims have been filed against the School Board. The cases are in various stages and are either awaiting trial or judgment. The School District's insurance carrier for its school leaders errors and omissions policy has been notified of these cases. Counsel is unable to estimate damages, if any, at this time.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the City if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of these possible refunds cannot be determined at the present time. Any payments resulting from adverse decisions will be funded in the year the payment is made.

B. Contingencies

In 1979, the City entered into a Consent Order with the New York State Department of Environmental Conservation ("NYSDEC") to remediate the Austin Avenue landfill site. In December 2004, the City Council approved a plan that would allow the YIDA, through the NYSDEC's Brownfield Remediation and Empire Zone Program, to issue bonds to pay for the remediation of the landfill site. The YIDA bonds would be repaid from the annual proceeds of a supplemental payments in lieu of tax ("PILOT") agreement from a local developer, who owns the property adjacent to the landfill site. The City Council has waived the City's right to the receipt of the supplemental PILOT payments in order to pledge those receipts to the repayment of the YIDA bonds and/or to use the proceeds directly for remediation. The City Council further agreed that, based on the City's obligation under the Consent Order, the City will pay any shortfalls for costs of environmental remediation in excess of amounts available from the supplemental PILOT payment.

Remediation efforts have been completed with all physical work required by NYSDEC in the approved Remedial Action Plan having been done in early 2011. As of December 2014, all bills related to this work were paid and YIDA's dedicated account for the Austin Avenue remediation held a balance of \$13,722 to pay final legal bills, insurance costs and NYSDEC fees.

C. Risk Management

Property and Casualty Claims/Public Officials Liability

The City purchases conventional property and casualty insurance to reduce its exposure to loss from damage or fire to City owned properties. The City also purchases conventional insurance coverage for public officials liability. The current policy reflects a limit of \$250,000. Settled claims resulting from those risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Unemployment Benefits

The City is self-insured for claims arising from unemployment benefit cases. Incurred but not reported claims are not material.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Workers' Compensation and Liability Claims

The City is currently self-insured for general, auto, police and fire liability and workers' compensation claims. Conventional insurance is not purchased for catastrophic losses.

Health Benefits

The City purchases conventional health insurance coverage for all full-time City and Board of Education employees and retirees.

D. Compliance with Grant Requirements

The City and the Board of Education participate in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although City and Board of Education management anticipate such amounts, if any, to be immaterial.

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

Note 5 - Subsequent Events

The City, in September 2015, issued \$144,770,000 in serial bonds. Of this amount, \$76,215,000 was used to advance refund previously issued serial bonds and \$68,555,000 was used as a new money source for various City and Board of Education capital projects. The bonds mature annually through 2031 with interest at rates ranging from 2% to 5%, depending on maturity.

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City of Yonkers, New York

Required Supplementary Information - Schedule of Funding Progress

Other Post Employment Benefits

Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
July 1, 2012	\$ -	\$ 1,670,054,130	\$ 1,670,054,130	- %	\$ 460,408,805	362.73 %
July 1, 2013	-	1,732,616,906	1,732,616,906	-	467,981,953	370.23
July 1, 2014	-	1,797,753,339	1,797,753,339	-	465,865,414	385.90

City of Yonkers, New York

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

	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>1.447884%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (164,733,013)</u>
School District's covered-employee payroll	<u>\$ 221,638,990</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>(74.32)%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>111.48%</u>

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

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

City of Yonkers, New York

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

	<u>2015</u>
Contractually required contribution	\$ 35,497,633
Contributions in relation to the contractually required contribution	<u>(35,497,633)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 221,638,990</u>
Contributions as a percentage of covered-employee payroll	<u>16.02%</u>

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

City of Yonkers, New York

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

	<u>2015</u>
City's proportion of the net pension liability (asset)	<u>0.5409689%</u>
City's proportionate share of the net pension liability (asset)	<u>\$ 18,159,153</u>
City's covered-employee payroll	<u>\$ 140,405,970</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>26.16%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

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

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

City of Yonkers, New York

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

	<u>2015</u>
Contractually required contribution	\$ 25,718,869
Contributions in relation to the contractually required contribution	<u>(25,718,869)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	<u>\$ 140,405,970</u>
Contributions as a percentage of covered-employee payroll	<u>18.32%</u>

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

City of Yonkers, New York

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

	<u>2015</u>
City's proportion of the net pension liability (asset)	<u>4.7969082%</u>
City's proportionate share of the net pension liability (asset)	<u>\$ 13,203,948</u>
City's covered-employee payroll	<u>\$ 134,388,483</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>9.83%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.00%</u>

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

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

City of Yonkers, New York

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

	<u>2015</u>
Contractually required contribution	\$ 34,166,085
Contributions in relation to the contractually required contribution	<u>(34,166,085)</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	<u>\$ 134,388,483</u>
Contributions as a percentage of covered-employee payroll	<u>25.42%</u>

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

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MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund constitutes the primary operating fund of the City and is used to account for and 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 or committed to expenditures for specified purposes other than debt service or capital projects.

- **Education Fund** - The Education Fund is used to account for the operation of the Yonkers City School District in accordance with the Education Law of the State of New York.
- **Education Special Aid Fund** - The Education Special Aid Fund is used to account for special projects or programs of the School District which are supported in whole or in part with Federal, State or local funds.
- **Community Development Fund** - The Community Development Fund is used to record the operations of the Federal grant programs operated by the City's Community Development Agency.

CAPITAL PROJECTS FUNDS

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

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City of Yonkers, New York

General Fund
Comparative Balance Sheet
June 30,

	2015	2014
ASSETS		
Cash and equivalents	\$ 23,157,937	\$ -
Investments	30,909,786	33,495,326
Property taxes receivable		
City	20,762,212	22,469,622
County	3,731,261	4,067,555
Tax sale certificates	3,791,448	3,761,824
Property acquired for taxes	3,761,047	3,761,047
	32,045,968	34,060,048
Allowance for uncollectible taxes	(15,499,056)	(19,515,982)
	16,546,912	14,544,066
Other receivables		
Income taxes	592,149	2,869,133
Accounts, net of allowance for uncollectible amounts of \$390,707 in 2015 and 2014	7,752,392	6,918,114
State and Federal aid	20,834,388	20,912,097
Due from other funds	79,626,498	93,250,742
Advances to other funds	162,960	2,600,229
Notes	10,600	10,600
Loans	500,346	509,062
	109,479,333	127,069,977
Total Assets	\$ 180,093,968	\$ 175,109,369
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 36,300,532	\$ 21,591,941
Accrued liabilities	8,015,276	9,160,167
County taxes payable	29,360,755	29,803,859
Employee payroll deductions	436,998	453,931
Due to other funds	-	14,898,854
Unearned revenues	1,553,734	1,653,987
Due to retirement systems	9,199,237	6,707,881
Total Liabilities	84,866,532	84,270,620
Deferred inflows of resources		
Deferred tax revenues	13,888,967	12,621,789
Taxes collected in advance	-	4,142,140
Total Deferred Inflows of Resources	13,888,967	16,763,929
Total Liabilities and Deferred Inflows of Resources	98,755,499	101,034,549
Fund balance		
Nonspendable	4,173,560	3,543,829
Assigned	39,214,537	33,036,096
Unassigned	37,950,372	37,494,895
Total Fund Balance	81,338,469	74,074,820
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 180,093,968	\$ 175,109,369

City of Yonkers, New York

General Fund

Comparative Schedule of Revenues, Expenditures and

Changes in Fund Balance - Budget and Actual

Years Ended June 30,

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 309,614,564	\$ 309,614,564	\$ 315,999,359	\$ 6,384,795
Other tax items	67,011,558	67,011,558	77,245,461	10,233,903
Non-property taxes	132,451,483	132,451,483	134,923,934	2,472,451
Departmental income	32,671,665	32,671,665	36,410,151	3,738,486
Use of money and property	671,185	671,185	548,159	(123,026)
Sale of property and compensation for loss	300,000	300,000	729,756	429,756
State aid	114,247,937	114,247,937	114,673,842	425,905
Federal aid	-	-	1,150,929	1,150,929
Miscellaneous	2,196,757	2,196,757	5,332,346	3,135,589
Total Revenues	659,165,149	659,165,149	687,013,937	27,848,788
EXPENDITURES				
Current				
General government support	96,147,737	101,881,870	96,617,811	5,264,059
Public safety	153,073,986	152,611,607	151,930,629	680,978
Transportation	1,620,000	1,620,000	2,397,236	(777,236)
Culture and recreation	8,802,520	9,120,185	8,458,422	661,763
Home and community services	24,063,860	24,992,958	23,510,650	1,482,308
Employee benefits	132,342,254	134,071,142	129,375,045	4,696,097
Debt service				
Principal	-	6,424,000	7,065,000	(641,000)
Interest	1,823,624	1,823,624	622,994	1,200,630
Total Expenditures	417,873,981	432,545,386	419,977,787	12,567,599
Excess of Revenues Over Expenditures	241,291,168	226,619,763	267,036,150	40,416,387
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	14,924,000	14,924,000	-
Transfers in	11,415,949	11,415,949	11,415,949	-
Transfers out	(285,743,213)	(285,995,808)	(286,112,450)	(116,642)
Total Other Financing Uses	(274,327,264)	(259,655,859)	(259,772,501)	(116,642)
Net Change in Fund Balance	(33,036,096)	(33,036,096)	7,263,649	40,299,745
FUND BALANCE				
Beginning of Year	33,036,096	33,036,096	74,074,820	41,038,724
End of Year	\$ -	\$ -	\$ 81,338,469	\$ 81,338,469

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 302,570,175	\$ 302,570,175	\$ 306,231,052	\$ 3,660,877
66,318,027	66,318,027	72,593,517	6,275,490
121,466,391	121,466,391	125,049,902	3,583,511
26,452,813	26,452,813	29,688,640	3,235,827
702,185	702,185	570,423	(131,762)
300,000	300,000	2,210,391	1,910,391
114,171,064	114,171,064	113,935,572	(235,492)
1,840,293	1,840,293	2,648,482	808,189
1,836,530	1,836,530	6,995,483	5,158,953
<u>635,657,478</u>	<u>635,657,478</u>	<u>659,923,462</u>	<u>24,265,984</u>
79,831,204	80,034,188	72,735,309	7,298,879
139,776,849	139,888,822	140,976,674	(1,087,852)
1,610,031	1,912,812	2,771,060	(858,248)
8,134,595	8,140,174	7,963,752	176,422
25,090,425	24,868,563	23,816,712	1,051,851
126,633,732	126,232,277	119,835,888	6,396,389
-	-	-	-
1,500,000	1,500,000	612,530	887,470
<u>382,576,836</u>	<u>382,576,836</u>	<u>368,711,925</u>	<u>13,864,911</u>
253,080,642	253,080,642	291,211,537	38,130,895
-	-	-	-
8,650,732	8,650,732	8,650,732	-
(280,547,432)	(280,547,432)	(280,666,171)	(118,739)
<u>(271,896,700)</u>	<u>(271,896,700)</u>	<u>(272,015,439)</u>	<u>(118,739)</u>
(18,816,058)	(18,816,058)	19,196,098	38,012,156
18,816,058	18,816,058	54,878,722	36,062,664
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,074,820</u>	<u>\$ 74,074,820</u>

City of Yonkers, New York

General Fund
 Schedule of Revenues and Other Financing Sources Compared to Budget
 Year Ended June 30, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	<u>\$ 309,614,564</u>	<u>\$ 309,614,564</u>	<u>\$ 315,999,359</u>	<u>\$ 6,384,795</u>	<u>\$ 306,231,052</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	3,756,341	3,756,341	4,494,675	738,334	5,015,309
Gain on sale of tax acquired property	-	-	7,108,689	7,108,689	1,728,030
Payments in lieu of taxes	18,356,834	18,356,834	19,448,654	1,091,820	18,053,651
Real estate transfer taxes	8,473,738	8,473,738	9,895,128	1,421,390	8,421,419
School tax relief reimbursement	35,823,145	35,823,145	35,823,145	-	38,848,267
Supplemental real estate taxes	601,500	601,500	475,170	(126,330)	526,841
	<u>67,011,558</u>	<u>67,011,558</u>	<u>77,245,461</u>	<u>10,233,903</u>	<u>72,593,517</u>
NON-PROPERTY TAXES					
Income taxes	44,622,217	44,622,217	47,650,160	3,027,943	41,299,335
Sales and use taxes	73,650,000	73,650,000	72,828,806	(821,194)	70,395,766
Off-track betting surcharge	253,000	253,000	152,537	(100,463)	225,748
Raceway admissions taxes	32,000	32,000	28,013	(3,987)	32,702
Raceway impact fees	2,500,000	2,500,000	2,500,000	-	2,403,000
Utilities gross receipts taxes	7,200,000	7,200,000	7,416,657	216,657	8,019,366
Cable television franchise fees	4,194,266	4,194,266	4,347,761	153,495	2,673,985
	<u>132,451,483</u>	<u>132,451,483</u>	<u>134,923,934</u>	<u>2,472,451</u>	<u>125,049,902</u>
DEPARTMENTAL INCOME					
Executive	40,000	40,000	674,820	634,820	143,063
Development	3,617,000	3,617,000	4,508,085	891,085	3,737,346
Engineering	486,000	486,000	511,951	25,951	578,196
Consumer protection	659,600	659,600	1,077,502	417,902	757,137
Finance	91,000	91,000	88,983	(2,017)	127,499
Parking Violations Bureau/Courts	17,275,000	17,275,000	18,095,242	820,242	17,029,958
Civil service fees	30,000	30,000	29,687	(313)	152,791
Legislative	243,550	243,550	256,270	12,720	236,491
Parks, recreation and conservation	2,552,669	2,552,669	2,466,782	(85,887)	2,566,032
Police and fire	6,293,621	6,293,621	7,329,484	1,035,863	2,992,808
Public works	543,200	543,200	529,060	(14,140)	535,681
County prisoner processing	365,540	365,540	365,540	-	354,893
Maintenance of State and County roads	474,485	474,485	476,745	2,260	476,745
	<u>32,671,665</u>	<u>32,671,665</u>	<u>36,410,151</u>	<u>3,738,486</u>	<u>29,688,640</u>

USE OF MONEY AND PROPERTY

Earnings on investments	225,190	225,190	93,440	(131,750)	127,257
Rental of real property	445,995	445,995	454,719	8,724	443,166
	<u>671,185</u>	<u>671,185</u>	<u>548,159</u>	<u>(123,026)</u>	<u>570,423</u>

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of real property	<u>300,000</u>	<u>300,000</u>	<u>729,756</u>	<u>429,756</u>	<u>2,210,391</u>
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STATE AID

Aid and incentives to municipalities	108,215,479	108,215,479	108,215,479	-	108,215,500
Court reimbursements	440,000	440,000	420,013	(19,987)	417,609
Mortgage tax	5,439,958	5,439,958	5,850,296	410,338	4,850,079
Community mental health	140,000	140,000	173,945	33,945	150,080
Emergency Management Assistance	-	-	1,316	1,316	289,511
Veteran's services	12,500	12,500	12,793	293	12,793
	<u>114,247,937</u>	<u>114,247,937</u>	<u>114,673,842</u>	<u>425,905</u>	<u>113,935,572</u>

FEDERAL AID

Emergency Management Assistance	-	-	505,472	505,472	473,762
SAFER Grant	-	-	-	-	1,591,672
Project Safe Neighborhoods Grant	-	-	645,457	645,457	583,048
	<u>-</u>	<u>-</u>	<u>1,150,929</u>	<u>1,150,929</u>	<u>2,648,482</u>

MISCELLANEOUS

Refunds of prior year's expenditures	-	-	2,679,713	2,679,713	4,653,770
Other	2,196,757	2,196,757	2,652,633	455,876	2,341,713
	<u>2,196,757</u>	<u>2,196,757</u>	<u>5,332,346</u>	<u>3,135,589</u>	<u>6,995,483</u>

TOTAL REVENUES

	<u>659,165,149</u>	<u>659,165,149</u>	<u>687,013,937</u>	<u>27,848,788</u>	<u>659,923,462</u>
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OTHER FINANCING SOURCES

Bonds issued	-	14,924,000	14,924,000	-	-
Transfers in - Water Fund	11,415,949	11,415,949	11,415,949	-	8,650,732

TOTAL OTHER FINANCING SOURCES

	<u>11,415,949</u>	<u>26,339,949</u>	<u>26,339,949</u>	<u>-</u>	<u>8,650,732</u>
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	<u>\$ 670,581,098</u>	<u>\$ 685,505,098</u>	<u>\$ 713,353,886</u>	<u>\$ 27,848,788</u>	<u>\$ 668,574,194</u>
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City of Yonkers, New York

General Fund
 Schedule of Expenditures and Other Financing Uses Compared to Budget
 Year Ended June 30, 2015
 (With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Legislative					
City Council	\$ 992,298	\$ 992,254	\$ 927,061	\$ 65,193	\$ 835,853
President of City Council	659,930	659,283	622,419	36,864	614,399
City Clerk	741,160	749,308	599,871	149,437	527,268
Elections	526,980	526,980	334,665	192,315	324,918
	<u>2,920,368</u>	<u>2,927,825</u>	<u>2,484,016</u>	<u>443,809</u>	<u>2,302,438</u>
Executive					
Mayor	810,750	811,833	811,085	748	744,412
Constituent and veteran's services	1,008,368	1,021,776	892,416	129,360	843,944
Personnel and labor relations	4,293,279	4,330,815	3,497,932	832,883	2,064,204
Public and community affairs	1,277,793	1,276,924	951,598	325,326	349,189
	<u>7,390,190</u>	<u>7,441,348</u>	<u>6,153,031</u>	<u>1,288,317</u>	<u>4,001,749</u>
Fiscal services					
Comptroller	4,766,469	5,238,056	5,022,381	215,675	2,088,968
Budget	949,367	834,112	767,532	66,580	447,886
Parking Violations Bureau	6,043,455	6,191,509	5,670,290	521,219	5,088,799
Assessment	1,085,097	994,711	1,004,863	(10,152)	915,499
Office of Licensing	217	217	-	217	315,836
Inspector General	481,071	481,071	466,168	14,903	385,114
	<u>13,325,676</u>	<u>13,739,676</u>	<u>12,931,234</u>	<u>808,442</u>	<u>9,242,102</u>
Staff Administrative and Advisory					
Corporation Counsel	2,856,989	2,918,937	2,403,758	515,179	2,336,092
Engineering administration	1,602,911	1,643,262	1,479,837	163,425	1,379,894
Purchasing	1,105,706	1,041,124	994,194	46,930	609,016
Office services	-	-	-	-	51,451
Management information services	6,167,795	6,252,086	6,006,654	245,432	4,998,644
Traffic engineering and street lighting	836,019	869,424	888,000	(18,576)	730,314
Public works administration	1,039,872	1,044,628	1,017,549	27,079	687,650

Production control	717,829	768,038	655,812	112,226	645,216
Dog control	816,568	861,285	772,621	88,664	677,231
	<u>15,143,689</u>	<u>15,398,784</u>	<u>14,218,425</u>	<u>1,180,359</u>	<u>12,115,508</u>
Shared services					
General services	7,621,052	7,746,576	7,323,348	423,228	6,919,334
Vehicle maintenance	8,793,718	8,945,063	7,908,822	1,036,241	7,726,967
	<u>16,414,770</u>	<u>16,691,639</u>	<u>15,232,170</u>	<u>1,459,469</u>	<u>14,646,301</u>
Special items					
Taxes on City property	2,901,677	2,901,677	2,884,278	17,399	2,728,309
Tax remissions	1,395,032	1,395,032	1,270,357	124,675	1,878,557
Senior citizen tax exemption	360,000	360,000	329,509	30,491	300,917
Reserve for uncollected taxes	15,788,422	15,788,422	17,178,187	(1,389,765)	15,609,501
Bond and note issuance costs	126,000	126,000	123,011	2,989	92,958
Municipal dues	20,000	20,000	13,742	6,258	18,723
Tenants' act	168,800	168,800	166,350	2,450	165,020
Judgments and claims	1,000,000	1,000,000	999,846	154	1,858,611
Assessment review and repayments	500,000	9,000,000	9,504,346	(504,346)	500,000
Termination payments	3,579,714	7,497,618	7,428,048	69,570	2,275,977
Fiscal agent banking fees	10,000	10,000	9,100	900	-
Yonkers Historical Society	10,000	10,000	10,000	-	10,000
Green Policy Task Force	13,350	13,350	3,336	10,014	6,596
Tax advertising	60,000	60,000	60,000	-	14,218
School crossing guards	-	-	-	-	90
YMCA/SNUG Grant	200,000	200,000	200,000	-	200,000
Metropolitan commuter transportation mobility tax	731,983	746,643	777,675	(31,032)	719,660
Litigation costs	2,313,587	2,313,587	1,554,631	758,956	1,000,792
Administrative charge - Income tax	380,000	380,000	329,169	50,831	378,756
Grant cash match	650,000	650,000	1,252,132	(602,132)	799,270
Annual audit and review	690,600	690,600	634,100	56,500	470,200
Buena Vista parking garage	300,000	300,000	94,006	205,994	345,756
Board of Ethics	25,000	25,000	-	25,000	-
Contingency	8,628,879	925,869	-	925,869	-
Affordable housing subsidies	1,100,000	1,100,000	777,112	322,888	1,053,300
	<u>40,953,044</u>	<u>45,682,598</u>	<u>45,598,935</u>	<u>83,663</u>	<u>30,427,211</u>
Total General Government Support	<u>96,147,737</u>	<u>101,881,870</u>	<u>96,617,811</u>	<u>5,264,059</u>	<u>72,735,309</u>

(Continued)

City of Yonkers, New York

General Fund

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

Year Ended June 30, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
PUBLIC SAFETY					
Police department	\$ 93,081,243	\$ 91,230,599	\$ 91,352,235	\$ (121,636)	\$ 81,445,530
Fire prevention and control					
Administration	2,404,050	2,412,567	2,389,587	22,980	2,203,904
Fire fighting	53,089,334	54,331,037	53,715,610	615,427	52,878,539
Communications	358,932	363,117	386,883	(23,766)	371,295
Prevention	1,368,985	1,392,550	1,334,920	57,630	1,380,836
	57,221,301	58,499,271	57,827,000	672,271	56,834,574
Other protection					
Bureau of Housing and Buildings	2,771,442	2,881,737	2,751,394	130,343	2,696,570
Total Public Safety	153,073,986	152,611,607	151,930,629	680,978	140,976,674
TRANSPORTATION					
Snow and ice control	1,620,000	1,620,000	2,397,236	(777,236)	2,771,060
CULTURE AND RECREATION					
Parks administration	1,095,329	1,114,504	985,856	128,648	927,446
Parks maintenance	4,581,718	4,820,604	4,716,596	104,008	4,390,188
Recreation and playgrounds	2,463,837	2,508,326	2,084,337	423,989	2,008,768
Museum	196,000	196,000	196,000	-	176,600
Community centers	345,136	360,251	355,133	5,118	340,750
Youth service agencies	120,500	120,500	120,500	-	120,000
Total Culture and Recreation	8,802,520	9,120,185	8,458,422	661,763	7,963,752

HOME AND COMMUNITY SERVICES

General environment

Development administration	994,474	999,360	912,610	86,750	749,498
Planning	403,724	407,319	403,616	3,703	320,679
Human rights	116,265	116,265	61,746	54,519	39,572
Office for the aging	337,436	337,395	329,421	7,974	325,673
Economic development	285,000	284,214	281,270	2,944	289,906
Downtown and waterfront development	260,113	262,156	255,474	6,682	250,883

	<u>2,397,012</u>	<u>2,406,709</u>	<u>2,244,137</u>	<u>162,572</u>	<u>1,976,211</u>
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Sanitation

Refuse collection	8,927,630	9,472,843	9,447,384	25,459	8,941,848
Refuse disposal/City cleaning	11,381,631	11,682,199	10,404,653	1,277,546	11,630,526

	<u>20,309,261</u>	<u>21,155,042</u>	<u>19,852,037</u>	<u>1,303,005</u>	<u>20,572,374</u>
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Community Environment

Shade Tree Bureau	1,357,587	1,431,207	1,414,476	16,731	1,268,127
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Total Home and Community Services

	<u>24,063,860</u>	<u>24,992,958</u>	<u>23,510,650</u>	<u>1,482,308</u>	<u>23,816,712</u>
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EMPLOYEE BENEFITS

State retirement	12,034,506	12,572,912	12,102,359	470,553	10,691,370
Police and fire retirement	36,404,982	36,662,209	35,856,124	806,085	30,095,331
Disabled firefighters' 207A supplemental pension	1,765,000	1,825,000	1,919,338	(94,338)	1,702,284
Policemen's and firemen's local pension funds	79,500	79,500	64,525	14,975	71,050
Social security and Medicare	15,245,070	15,558,431	14,767,306	791,125	14,099,174
Life, health and dental insurance	51,959,604	51,959,578	51,128,823	830,755	48,222,075
Unemployment benefits	200,000	200,000	165,443	34,557	175,109
Workers' compensation	11,279,205	11,279,067	9,596,123	1,682,944	11,414,768
Trust and welfare payments	3,374,387	3,934,445	3,775,004	159,441	3,364,727

Total Employee Benefits

	<u>132,342,254</u>	<u>134,071,142</u>	<u>129,375,045</u>	<u>4,696,097</u>	<u>119,835,888</u>
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DEBT SERVICE

Principal

Bond anticipation notes	-	6,424,000	7,065,000	(641,000)	-
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Interest

Bond anticipation notes	1,823,624	1,823,624	325,065	1,498,559	22,020
Revenue anticipation notes	-	-	297,929	(297,929)	590,510

	<u>1,823,624</u>	<u>1,823,624</u>	<u>622,994</u>	<u>1,200,630</u>	<u>612,530</u>
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Total Debt Service

	<u>1,823,624</u>	<u>8,247,624</u>	<u>7,687,994</u>	<u>559,630</u>	<u>612,530</u>
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TOTAL EXPENDITURES

	<u>417,873,981</u>	<u>432,545,386</u>	<u>419,977,787</u>	<u>12,567,599</u>	<u>368,711,925</u>
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(Continued)

City of Yonkers, New York

General Fund

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

Year Ended June 30, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
OTHER FINANCING USES					
Transfers out					
Education Fund	\$ 228,996,844	\$ 228,996,844	\$ 228,996,846	\$ (2)	\$ 227,996,844
Water Fund	3,565,311	3,817,906	3,817,906	-	3,331,771
Public Library Fund	9,111,431	9,111,431	9,111,431	-	8,761,535
City Debt Service Fund	38,892,883	38,892,883	39,009,525	(116,642)	37,097,411
Education Debt Service Fund	5,176,744	5,176,744	5,176,742	2	3,478,610
TOTAL OTHER FINANCING USES	285,743,213	285,995,808	286,112,450	(116,642)	280,666,171
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 703,617,194	\$ 718,541,194	\$ 706,090,237	\$ 12,450,957	\$ 649,378,096

City of Yonkers, New York

Education Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
Accounts	\$ 9,848,184	\$ 7,213,177
State and Federal aid	75,411,735	71,263,445
Due from other funds	79,320,759	39,919,759
Advances to other funds	500,000	1,020,487
	<u>165,080,678</u>	<u>119,416,868</u>
Prepaid expenditures	<u>828,977</u>	<u>-</u>
Total Assets	<u>\$ 165,909,655</u>	<u>\$ 119,416,868</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 12,111,143	\$ 19,812,603
Accrued liabilities	20,288,294	20,529,431
Due to other governments	2,251,593	1,959,101
Due to other funds	81,987,070	75,464,143
Unearned revenues	1,547,827	1,547,827
Due to retirement systems	36,445,327	37,447,701
Overpayments	420,256	105,378
Total Liabilities	<u>155,051,510</u>	<u>156,866,184</u>
Fund balance (deficit)		
Nonspendable	1,328,977	1,020,487
Restricted	964,300	-
Assigned	8,564,868	-
Unassigned	<u>-</u>	<u>(38,469,803)</u>
Total Fund Balance (Deficit)	<u>10,858,145</u>	<u>(37,449,316)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 165,909,655</u>	<u>\$ 119,416,868</u>

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for services	\$ 450,850	\$ 450,850	\$ 426,107	\$ (24,743)
Use of money and property	429,000	429,000	361,534	(67,466)
Forfeitures	5,000	5,000	-	(5,000)
Sale of property and compensation for loss	-	-	5,781	5,781
Interfund revenues	792,881	792,881	961,887	169,006
State aid	280,437,370	283,829,301	286,122,402	2,293,101
Federal aid	375,000	375,000	560,478	185,478
Miscellaneous	881,800	881,800	2,087,600	1,205,800
Total Revenues	283,371,901	286,763,832	290,525,789	3,761,957
EXPENDITURES				
Current				
Education				
General support				
Board of education	296,846	315,719	313,243	2,476
Central administration	863,164	1,319,404	1,318,718	686
Finance	236,942	235,767	32,600	203,167
Staff	7,240	7,240	-	7,240
Central services	41,464,181	39,332,111	37,140,298	2,191,813
Special items	808,694	793,053	793,053	-
Total General Support	43,677,067	42,003,294	39,597,912	2,405,382
Instruction				
Instruction, administration and improvement	27,191,595	26,772,243	26,635,001	137,242
Teaching - Regular school	165,021,602	161,798,072	161,440,387	357,685
Programs for children with handicapping conditions	65,993,947	70,190,527	70,073,246	117,281
Occupational education	7,031,533	6,856,514	6,812,090	44,424
Instructional media	1,456,589	1,571,455	1,571,193	262
Pupil services	15,760,555	15,819,474	15,695,344	124,130
Total Instruction	282,455,821	283,008,285	282,227,261	781,024
Pupil transportation	38,462,388	37,812,634	37,547,079	265,555
Total Education	364,595,276	362,824,213	359,372,252	3,451,961
Employee benefits	128,197,926	134,799,050	133,530,997	1,268,053
Debt service				
Principal	1,101,171	1,101,171	1,101,171	-
Interest	579,680	686,685	686,685	-
Issuance costs	-	328,441	328,440	1
Total Debt Service	1,680,851	2,116,297	2,116,296	1
Total Expenditures	494,474,053	499,739,560	495,019,545	4,720,015
Deficiency of Revenues Over Expenditures	(211,102,152)	(212,975,728)	(204,493,756)	8,481,972
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	37,260,000	37,260,000
Issuance premium	-	-	4,787,191	4,787,191
Transfers in	228,996,844	228,996,844	228,996,846	2
Transfers out	(20,179,340)	(18,305,764)	(18,242,820)	62,944
Total Other Financing Sources	208,817,504	210,691,080	252,801,217	42,110,137
Net Change in Fund Balance	(2,284,648)	(2,284,648)	48,307,461	50,592,109
FUND BALANCE (DEFICIT)				
Beginning of Year	2,284,648	2,284,648	(37,449,316)	(39,733,964)
End of Year	\$ -	\$ -	\$ 10,858,145	\$ 10,858,145

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 387,120	\$ 387,120	\$ 500,521	\$ 113,401
300,000	300,000	453,994	153,994
5,000	5,000	975	(4,025)
-	-	92,280	92,280
1,105,915	1,105,915	860,523	(245,392)
266,690,585	266,690,585	240,591,730	(26,098,855)
520,000	520,000	467,996	(52,004)
2,191,475	2,191,475	1,346,621	(844,854)
<u>271,200,095</u>	<u>271,200,095</u>	<u>244,314,640</u>	<u>(26,885,455)</u>
239,012	241,322	239,220	2,102
626,499	826,065	825,738	327
5,525,518	4,605,014	4,321,983	283,031
2,845,434	2,967,131	2,921,403	45,728
41,101,523	40,753,898	38,933,009	1,820,889
676,000	126,000	122,089	3,911
<u>51,013,986</u>	<u>49,519,430</u>	<u>47,363,442</u>	<u>2,155,988</u>
27,185,787	27,382,060	27,217,394	164,666
167,980,289	166,933,924	166,329,720	604,204
66,176,055	66,268,897	65,800,077	468,820
7,914,483	7,455,000	7,360,420	94,580
1,818,813	2,879,722	2,633,134	246,588
17,199,348	15,957,122	15,739,031	218,091
<u>288,274,775</u>	<u>286,876,725</u>	<u>285,079,776</u>	<u>1,796,949</u>
<u>37,756,822</u>	<u>37,600,144</u>	<u>37,584,513</u>	<u>15,631</u>
<u>377,045,583</u>	<u>373,996,299</u>	<u>370,027,731</u>	<u>3,968,568</u>
<u>132,493,797</u>	<u>130,805,402</u>	<u>129,552,869</u>	<u>1,252,533</u>
1,643,439	1,038,439	1,038,439	-
958,426	622,984	622,984	-
-	-	-	-
<u>2,601,865</u>	<u>1,661,423</u>	<u>1,661,423</u>	<u>-</u>
<u>512,141,245</u>	<u>506,463,124</u>	<u>501,242,023</u>	<u>5,221,101</u>
<u>(240,941,150)</u>	<u>(235,263,029)</u>	<u>(256,927,383)</u>	<u>(21,664,354)</u>
-	-	-	-
-	-	-	-
227,996,844	227,996,844	227,996,844	-
(17,462,675)	(23,140,796)	(23,140,786)	10
<u>210,534,169</u>	<u>204,856,048</u>	<u>204,856,058</u>	<u>10</u>
<u>(30,406,981)</u>	<u>(30,406,981)</u>	<u>(52,071,325)</u>	<u>(21,664,344)</u>
<u>30,406,981</u>	<u>30,406,981</u>	<u>14,622,009</u>	<u>(15,784,972)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,449,316)</u>	<u>\$ (37,449,316)</u>

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City of Yonkers, New York

Education Special Aid Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
State and Federal aid	\$ 15,295,683	\$ 20,067,044
Due from other funds	<u>24,091,003</u>	<u>31,356,184</u>
 Total Assets	 <u><u>\$ 39,386,686</u></u>	 <u><u>\$ 51,423,228</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,330,475	\$ 4,126,761
Accrued liabilities	1,023,487	814,991
Due to other governments	467,654	1,903,371
Due to other funds	35,065,070	43,557,618
Advances from other funds	<u>500,000</u>	<u>1,020,487</u>
 Total Liabilities	 <u><u>\$ 39,386,686</u></u>	 <u><u>\$ 51,423,228</u></u>

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 26,946,610	\$ 27,123,973	\$ 16,890,352	\$ (10,233,621)
Federal aid	27,566,784	30,656,108	27,081,839	(3,574,269)
Miscellaneous	698,406	708,560	427,568	(280,992)
Total Revenues	55,211,800	58,488,641	44,399,759	(14,088,882)
EXPENDITURES				
Current				
Education	54,928,389	58,127,303	43,978,779	14,148,524
Employee benefits	1,389,425	1,389,425	1,386,123	3,302
Total Expenditures	56,317,814	59,516,728	45,364,902	14,151,826
Deficiency of Revenues Over Expenditures	(1,106,014)	(1,028,087)	(965,143)	62,944
OTHER FINANCING SOURCES				
Transfers in	1,106,014	1,028,087	965,143	(62,944)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 15,559,176	\$ 15,599,224	\$ 10,069,148	\$ (5,530,076)
32,189,534	36,115,423	28,863,420	(7,252,003)
452,531	452,531	290,382	(162,149)
<u>48,201,241</u>	<u>52,167,178</u>	<u>39,222,950</u>	<u>(12,944,228)</u>
47,954,055	54,893,553	41,953,318	12,940,235
1,353,200	1,403,200	1,399,207	3,993
<u>49,307,255</u>	<u>56,296,753</u>	<u>43,352,525</u>	<u>12,944,228</u>
(1,106,014)	(4,129,575)	(4,129,575)	-
<u>1,106,014</u>	<u>4,129,575</u>	<u>4,129,575</u>	<u>-</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yonkers, New York

Community Development Fund
 Combining Balance Sheet - Sub Funds
 June 30, 2015
 (With Comparative Actuals for 2014)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
ASSETS			
Cash and equivalents	\$ 3,988,690	\$ 1,836,672	\$ 644,971
Restricted cash	-	343,709	-
Receivables			
Accounts	211,612	-	-
State and Federal aid, net	955,091	-	-
Due from other funds	32,609,990	386,697	2,381,832
Loans, net	3,408,304	-	-
Loans - Component unit	1,449,802	-	-
	<u>38,634,799</u>	<u>386,697</u>	<u>2,381,832</u>
Prepaid expenditures	116,401	-	-
Total Assets	<u>\$ 42,739,890</u>	<u>\$ 2,567,078</u>	<u>\$ 3,026,803</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 431,688	\$ 14,625	\$ -
Accrued liabilities	92,881	-	-
Due to other governments	9,421,000	-	-
Due to other funds	35,011,414	398,459	721,472
Advances from other funds	-	162,960	-
Unearned revenues	1,589,291	-	-
Total Liabilities	<u>46,546,274</u>	<u>576,044</u>	<u>721,472</u>
Fund balances (deficits)			
Nonspendable	116,401	-	-
Assigned	(3,922,785)	1,991,034	2,305,331
Total Fund Balances (Deficits)	<u>(3,806,384)</u>	<u>1,991,034</u>	<u>2,305,331</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 42,739,890</u>	<u>\$ 2,567,078</u>	<u>\$ 3,026,803</u>

HOME Program Fund	Totals	
	2015	2014
\$ 2,079,538	\$ 8,549,871	\$ 7,166,063
-	343,709	288,853
-	211,612	211,612
-	955,091	1,910,045
20,278,749	55,657,268	46,590,565
3,642,257	7,050,561	14,878,374
-	1,449,802	1,591,091
23,921,006	65,324,334	65,181,687
120,774	237,175	124,299
<u>\$ 26,121,318</u>	<u>\$ 74,455,089</u>	<u>\$ 72,760,902</u>
\$ 2,468	\$ 448,781	\$ 454,984
-	92,881	37,051
-	9,421,000	10,016,000
20,747,333	56,878,678	47,818,609
-	162,960	2,600,229
3,824,006	5,413,297	6,045,113
24,573,807	72,417,597	66,971,986
120,774	237,175	124,299
1,426,737	1,800,317	5,664,617
1,547,511	2,037,492	5,788,916
<u>\$ 26,121,318</u>	<u>\$ 74,455,089</u>	<u>\$ 72,760,902</u>

City of Yonkers, New York

Community Development Fund
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Sub Funds
Year Ended June 30, 2015
(With Comparative Actuals for 2014)

	Block Grant Fund	Community Development Agency Fund	Section 108 Fund
REVENUES			
Departmental income	\$ 200,478	\$ 133,900	\$ -
Use of money and property	4,431	10,426	20
Sale of property and compensation for loss	-	-	-
Federal aid	3,433,314	-	-
Miscellaneous	483,019	-	-
	<hr/>	<hr/>	<hr/>
Total Revenues	4,121,242	144,326	20
EXPENDITURES			
Current			
Home and community services	7,942,776	144,193	-
Debt service			
Interest	-	224,765	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	7,942,776	368,958	-
Excess (Deficiency) of Revenues Over Expenditures	(3,821,534)	(224,632)	20
FUND BALANCES (DEFICITS)			
Beginning of Year	15,150	2,215,666	2,305,311
	<hr/>	<hr/>	<hr/>
End of Year	\$ (3,806,384)	\$ 1,991,034	\$ 2,305,331
	<hr/>	<hr/>	<hr/>

HOME Program Fund	Totals	
	2015	2014
\$ 296,916	\$ 631,294	\$ 772,973
4,057	18,934	16,641
-	-	1,892,000
2,348,324	5,781,638	5,034,208
-	483,019	15,620
<u>2,649,297</u>	<u>6,914,885</u>	<u>7,731,442</u>
2,354,575	10,441,544	5,619,601
-	224,765	279,085
<u>2,354,575</u>	<u>10,666,309</u>	<u>5,898,686</u>
294,722	(3,751,424)	1,832,756
<u>1,252,789</u>	<u>5,788,916</u>	<u>3,956,160</u>
<u>\$ 1,547,511</u>	<u>\$ 2,037,492</u>	<u>\$ 5,788,916</u>

City of Yonkers, New York

City Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Investments	\$ 69,887,083	\$ 71,863,785
Due from other funds	<u>35,718,369</u>	<u>-</u>
Total Assets	<u>\$ 105,605,452</u>	<u>\$ 71,863,785</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 3,780,926	\$ 1,822,669
Retainages payable	1,781,052	1,612,601
Bond anticipation notes payable	-	8,881,000
Due to other funds	64,977,130	35,840,507
Unearned revenues	<u>372,854</u>	<u>462,576</u>
Total Liabilities	70,911,962	48,619,353
Fund balance		
Restricted	<u>34,693,490</u>	<u>23,244,432</u>
Total Liabilities and Fund Balance	<u>\$ 105,605,452</u>	<u>\$ 71,863,785</u>

City of Yonkers, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Miscellaneous	\$ 141,218	\$ 179,953
EXPENDITURES		
Capital outlay	<u>27,368,860</u>	<u>37,154,401</u>
Deficiency of Revenues Over Expenditures	<u>(27,227,642)</u>	<u>(36,974,448)</u>
OTHER FINANCING SOURCES		
Bonds issued	33,971,000	-
Issuance premium	3,212,797	-
Insurance recoveries	-	1,227,935
Notes issued	1,492,903	-
Energy performance contract issued	<u>-</u>	<u>8,423,000</u>
Total Other Financing Sources	<u>38,676,700</u>	<u>9,650,935</u>
Net Change in Fund Balance	11,449,058	(27,323,513)
FUND BALANCE		
Beginning of Year	<u>23,244,432</u>	<u>50,567,945</u>
End of Year	<u>\$ 34,693,490</u>	<u>\$ 23,244,432</u>

City of Yonkers, New York

Education Capital Projects Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Due from other funds	<u>\$ 35,406,500</u>	<u>\$ 39,920,705</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 2,998,924	\$ 1,886,062
Accrued liabilities	24,262	24,262
Retainages payable	-	313,923
Bond anticipation notes payable	-	5,205,900
Due to other funds	<u>3,005,943</u>	<u>2,798,022</u>
Total Liabilities	6,029,129	10,228,169
Fund balance		
Restricted	<u>29,377,371</u>	<u>29,692,536</u>
Total Liabilities and Fund Balance	<u>\$ 35,406,500</u>	<u>\$ 39,920,705</u>

City of Yonkers, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ -	\$ 34,074
State aid	-	(48,759)
Miscellaneous	<u>25,000</u>	<u>-</u>
Total Revenues	25,000	(14,685)
EXPENDITURES		
Capital outlay	<u>27,324,967</u>	<u>14,053,843</u>
Deficiency of Revenues Over Expenditures	<u>(27,299,967)</u>	<u>(14,068,528)</u>
OTHER FINANCING SOURCES		
Bonds issued	26,365,000	-
Issuance premium	<u>619,802</u>	<u>-</u>
Total Other Financing Sources	<u>26,984,802</u>	<u>-</u>
Net Change in Fund Balance	(315,165)	(14,068,528)
FUND BALANCE		
Beginning of Year	<u>29,692,536</u>	<u>43,761,064</u>
End of Year	<u>\$ 29,377,371</u>	<u>\$ 29,692,536</u>

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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Sewer Fund** - The Sewer Fund was established pursuant to the General Municipal Law of the State of New York and is used to account for sewer operations financed by sewer rents.
- **Water Fund** - The Water Fund is used to record the water utility operations of the City which render services primarily on a user charge basis to the general public.
- **Public Library Fund** - The Public Library Fund was established pursuant to the Education Law of the State of New York and is used to account for the operations of the City's library system.
- **School Lunch Fund** - The School Lunch Fund is used to record the operations of the breakfast and lunch programs operated by the School District.
- **City Grants Fund** - The City Grants Fund is used to record the financial activity of certain federal and state funded City grant programs.
- **Special Purpose Fund** - The Special Purpose Fund is used to account for assets held by the City in accordance with the terms of a trust agreement.

DEBT SERVICE FUNDS

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

City of Yonkers, New York

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2015

(With Comparative Actuals for 2014)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2015	2014
ASSETS				
Cash and equivalents	\$ 3,085,987	\$ 49,753,537	\$ 52,839,524	\$ 15,799,586
Investments	352,478	-	352,478	352,106
Receivables				
Accounts	22,969,931	-	22,969,931	22,015,299
State and Federal aid	10,889,472	-	10,889,472	11,124,625
Due from other funds	13,774,372	92,925,896	106,700,268	84,458,516
	47,633,775	92,925,896	140,559,671	117,598,440
Inventories	47,813	-	47,813	143,505
Total Assets	\$ 51,120,053	\$ 142,679,433	\$ 193,799,486	\$ 133,893,637
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,549,837	\$ -	\$ 7,549,837	\$ 5,617,222
Accrued liabilities	2,971,255	-	2,971,255	814,753
Due to other funds	33,985,751	140,621,023	174,606,774	115,118,718
Unearned revenues	3,827,664	-	3,827,664	4,927,575
Due to retirement systems	63,421	-	63,421	167,151
Total Liabilities	48,397,928	140,621,023	189,018,951	126,645,419
Fund balances (deficits)				
Nonspendable	47,813	-	47,813	143,505
Restricted	903,458	2,058,410	2,961,868	2,550,438
Assigned	2,764,324	-	2,764,324	4,963,390
Unassigned	(993,470)	-	(993,470)	(409,115)
Total Fund Balances	2,722,125	2,058,410	4,780,535	7,248,218
Total Liabilities and Fund Balances	\$ 51,120,053	\$ 142,679,433	\$ 193,799,486	\$ 133,893,637

City of Yonkers, New York

Non-Major Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended June 30, 2015
 (With Comparative Actuals for 2014)

	Special Revenue Funds	Debt Service Fund	Total Non-Major Governmental Funds	
			2015	2014
REVENUES				
Other tax items	\$ 4,716,286	\$ -	\$ 4,716,286	\$ 6,276,913
Departmental income	34,901,913	-	34,901,913	30,013,863
Charges for services	1,277,295	-	1,277,295	894,334
Use of money and property	-	35,141	35,141	-
State aid	5,218,105	-	5,218,105	7,141,619
Federal aid	12,807,831	-	12,807,831	14,290,363
Food sales	1,882,055	-	1,882,055	1,712,136
Miscellaneous	333,739	-	333,739	973,654
Total Revenues	61,137,224	35,141	61,172,365	61,302,882
EXPENDITURES				
Current				
Public safety	5,661,397	-	5,661,397	6,626,981
Transportation	529,899	-	529,899	2,182,005
Culture and recreation	8,217,990	-	8,217,990	8,248,478
Home and community services	33,388,197	-	33,388,197	31,508,695
Employee benefits	1,935,152	-	1,935,152	2,040,137
Cost of food sales	7,210,892	-	7,210,892	7,326,434
Debt service				
Principal	-	50,961,488	50,961,488	45,256,521
Interest	-	18,712,365	18,712,365	21,794,550
Refunding bond issuance costs	-	2,049,871	2,049,871	-
Total Expenditures	56,943,527	71,723,724	128,667,251	124,983,801
Excess (Deficiency) of Revenues Over Expenditures	4,193,697	(71,688,583)	(67,494,886)	(63,680,919)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	61,785,000	61,785,000	-
Payment to refunded bond escrow agent	-	(64,218,951)	(64,218,951)	-
Issuance premium	-	4,483,822	4,483,822	-
Transfers in	13,179,337	70,036,988	83,216,325	80,026,191
Transfers out	(20,238,993)	-	(20,238,993)	(16,996,385)
Total Other Financing Sources (Uses)	(7,059,656)	72,086,859	65,027,203	63,029,806
Net Change in Fund Balances	(2,865,959)	398,276	(2,467,683)	(651,113)
FUND BALANCES				
Beginning of Year	5,588,084	1,660,134	7,248,218	7,899,331
End of Year	\$ 2,722,125	\$ 2,058,410	\$ 4,780,535	\$ 7,248,218

City of Yonkers, New York

Non-Major Special Revenue Funds

Combining Balance Sheet

June 30, 2015

(With Comparative Actuals for 2014)

	<u>Sewer</u>	<u>Water</u>	<u>Public Library</u>
ASSETS			
Cash and equivalents	\$ -	\$ 1,089,176	\$ 1,316,742
Investments	-	-	-
Receivables			
Accounts	3,869,363	18,900,892	500
State and Federal aid	-	-	-
Due from other funds	2,892,562	-	-
	<u>6,761,925</u>	<u>18,900,892</u>	<u>500</u>
Inventories	-	-	-
Total Assets	<u>\$ 6,761,925</u>	<u>\$ 19,990,068</u>	<u>\$ 1,317,242</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 130,573	\$ 4,347,395	\$ 260,660
Accrued liabilities	20,195	2,134,651	244,751
Due to other funds	7,604,627	11,804,819	-
Unearned revenues	-	-	-
Due to retirement systems	-	-	-
Total Liabilities	<u>7,755,395</u>	<u>18,286,865</u>	<u>505,411</u>
Fund balances (deficits)			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	1,703,203	811,831
Unassigned	(993,470)	-	-
Total Fund Balances (Deficits)	<u>(993,470)</u>	<u>1,703,203</u>	<u>811,831</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 6,761,925</u>	<u>\$ 19,990,068</u>	<u>\$ 1,317,242</u>

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2015	2014
\$ -	\$ -	\$ 680,069	\$ 3,085,987	\$ 1,418,052
-	-	352,478	352,478	352,106
85,015	-	114,161	22,969,931	22,015,299
1,332,172	9,557,300	-	10,889,472	11,124,625
7,076,046	3,805,764	-	13,774,372	8,871,653
8,493,233	13,363,064	114,161	47,633,775	42,011,577
47,813	-	-	47,813	143,505
<u>\$ 8,541,046</u>	<u>\$ 13,363,064</u>	<u>\$ 1,146,708</u>	<u>\$ 51,120,053</u>	<u>\$ 43,925,240</u>
\$ 1,406,593	\$ 1,161,366	\$ 243,250	\$ 7,549,837	\$ 5,617,222
186,224	385,434	-	2,971,255	814,753
6,587,705	7,988,600	-	33,985,751	26,810,455
-	3,827,664	-	3,827,664	4,927,575
63,421	-	-	63,421	167,151
8,243,943	13,363,064	243,250	48,397,928	38,337,156
47,813	-	-	47,813	143,505
-	-	903,458	903,458	890,304
249,290	-	-	2,764,324	4,963,390
-	-	-	(993,470)	(409,115)
297,103	-	903,458	2,722,125	5,588,084
<u>\$ 8,541,046</u>	<u>\$ 13,363,064</u>	<u>\$ 1,146,708</u>	<u>\$ 51,120,053</u>	<u>\$ 43,925,240</u>

City of Yonkers, New York

Non-Major Special Revenue Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended June 30, 2015
 (With Comparative Actuals for 2014)

	Sewer	Water	Public Library
REVENUES			
Other tax items	\$ -	\$ 4,716,286	\$ -
Departmental income	6,055,220	28,461,432	76,388
Charges for services	-	114,089	-
State aid	-	-	69,661
Federal aid	-	-	-
Food sales	-	-	-
Miscellaneous	-	23,387	11,832
Total Revenues	6,055,220	33,315,194	157,881
EXPENDITURES			
Current			
Public safety	-	-	-
Transportation	-	-	-
Culture and recreation	-	-	7,963,777
Home and community services	2,471,981	24,831,697	-
Employee benefits	-	-	-
Cost of food sales	-	-	-
Total Expenditures	2,471,981	24,831,697	7,963,777
Excess (Deficiency) of Revenues Over Expenditures	3,583,239	8,483,497	(7,805,896)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,817,906	9,111,431
Transfers out	(4,167,594)	(14,981,260)	(1,074,034)
Total Other Financing Sources (Uses)	(4,167,594)	(11,163,354)	8,037,397
Net Change in Fund Balances	(584,355)	(2,679,857)	231,501
FUND BALANCES (DEFICITS)			
Beginning of Year	(409,115)	4,383,060	580,330
End of Year	<u>\$ (993,470)</u>	<u>\$ 1,703,203</u>	<u>\$ 811,831</u>

School Lunch	City Grants	Special Purpose	Total Non-Major Special Revenue Funds	
			2015	2014
\$ -	\$ -	\$ -	\$ 4,716,286	\$ 6,276,913
-	308,873	-	34,901,913	30,013,863
-	1,163,206	-	1,277,295	894,334
192,421	4,956,023	-	5,218,105	7,141,619
6,991,271	5,816,560	-	12,807,831	14,290,363
1,882,055	-	-	1,882,055	1,712,136
-	55,130	243,390	333,739	973,654
<u>9,065,747</u>	<u>12,299,792</u>	<u>243,390</u>	<u>61,137,224</u>	<u>61,302,882</u>
-	5,661,397	-	5,661,397	6,626,981
-	529,899	-	529,899	2,182,005
-	23,977	230,236	8,217,990	8,248,478
-	6,084,519	-	33,388,197	31,508,695
1,935,152	-	-	1,935,152	2,040,137
7,210,892	-	-	7,210,892	7,326,434
<u>9,146,044</u>	<u>12,299,792</u>	<u>230,236</u>	<u>56,943,527</u>	<u>57,932,730</u>
<u>(80,297)</u>	<u>-</u>	<u>13,154</u>	<u>4,193,697</u>	<u>3,370,152</u>
250,000	-	-	13,179,337	12,861,596
(16,105)	-	-	(20,238,993)	(16,996,385)
<u>233,895</u>	<u>-</u>	<u>-</u>	<u>(7,059,656)</u>	<u>(4,134,789)</u>
153,598	-	13,154	(2,865,959)	(764,637)
<u>143,505</u>	<u>-</u>	<u>890,304</u>	<u>5,588,084</u>	<u>6,352,721</u>
<u>\$ 297,103</u>	<u>\$ -</u>	<u>\$ 903,458</u>	<u>\$ 2,722,125</u>	<u>\$ 5,588,084</u>

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City of Yonkers, New York

Sewer Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
Accounts	\$ 3,869,363	\$ 3,636,412
Due from other funds	<u>2,892,562</u>	<u>-</u>
Total Assets	<u>\$ 6,761,925</u>	<u>\$ 3,636,412</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 130,573	\$ 71,654
Accrued liabilities	20,195	-
Due to other funds	<u>7,604,627</u>	<u>3,973,873</u>
Total Liabilities	7,755,395	4,045,527
Fund deficit		
Unassigned	<u>(993,470)</u>	<u>(409,115)</u>
Total Liabilities and Fund Deficit	<u>\$ 6,761,925</u>	<u>\$ 3,636,412</u>

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 6,693,542	\$ 6,693,542	\$ 6,055,220	\$ (638,322)
EXPENDITURES				
Current				
Home and community services	2,566,225	2,566,225	2,471,981	94,244
Excess of Revenues Over Expenditures	4,127,317	4,127,317	3,583,239	(544,078)
OTHER FINANCING USES				
Transfers out	(4,167,594)	(4,167,594)	(4,167,594)	-
Net Change in Fund Balance	(40,277)	(40,277)	(584,355)	(544,078)
FUND BALANCE (DEFICIT)				
Beginning of Year	40,277	40,277	(409,115)	(449,392)
End of Year	\$ -	\$ -	\$ (993,470)	\$ (993,470)

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,209,118	\$ 5,209,118	\$ 4,921,232	\$ (287,886)
<u>2,126,428</u>	<u>2,126,428</u>	<u>2,002,108</u>	<u>124,320</u>
3,082,690	3,082,690	2,919,124	(163,566)
<u>(3,992,359)</u>	<u>(3,992,359)</u>	<u>(3,992,359)</u>	<u>-</u>
(909,669)	(909,669)	(1,073,235)	(163,566)
<u>909,669</u>	<u>909,669</u>	<u>664,120</u>	<u>(245,549)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (409,115)</u>	<u>\$ (409,115)</u>

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City of Yonkers, New York

Water Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 1,089,176	\$ -
Accounts receivable	<u>18,900,892</u>	<u>18,361,689</u>
Total Assets	<u>\$ 19,990,068</u>	<u>\$ 18,361,689</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 4,347,395	\$ 3,283,476
Accrued liabilities	2,134,651	503,335
Due to other funds	<u>11,804,819</u>	<u>10,191,818</u>
Total Liabilities	18,286,865	13,978,629
Fund balance		
Assigned	<u>1,703,203</u>	<u>4,383,060</u>
Total Liabilities and Fund Balance	<u>\$ 19,990,068</u>	<u>\$ 18,361,689</u>

City of Yonkers, New York

Water Fund

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Other tax items	\$ 4,785,295	\$ 4,785,295	\$ 4,716,286	\$ (69,009)
Departmental income	30,561,242	30,561,242	28,461,432	(2,099,810)
Charges for services	164,540	164,540	114,089	(50,451)
Miscellaneous	-	-	23,387	23,387
Total Revenues	35,511,077	35,511,077	33,315,194	(2,195,883)
EXPENDITURES				
Current				
Home and community services	24,878,275	25,130,870	24,831,697	299,173
Excess of Revenues Over Expenditures	10,632,802	10,380,207	8,483,497	(1,896,710)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,565,311	3,817,906	3,817,906	-
Transfers out	(14,981,260)	(14,981,260)	(14,981,260)	-
Total Other Financing Uses	(11,415,949)	(11,163,354)	(11,163,354)	-
Net Change in Fund Balance	(783,147)	(783,147)	(2,679,857)	(1,896,710)
FUND BALANCE				
Beginning of Year	783,147	783,147	4,383,060	3,599,913
End of Year	\$ -	\$ -	\$ 1,703,203	\$ 1,703,203

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,785,295	\$ 4,785,295	\$ 6,276,913	\$ 1,491,618
27,660,752	27,660,752	24,728,092	(2,932,660)
164,540	164,540	78,038	(86,502)
-	-	523,508	523,508
32,610,587	32,610,587	31,606,551	(1,004,036)
25,356,813	25,356,813	22,957,781	2,399,032
7,253,774	7,253,774	8,648,770	1,394,996
3,331,771	3,331,771	3,331,771	-
(11,982,503)	(11,982,503)	(11,982,503)	-
(8,650,732)	(8,650,732)	(8,650,732)	-
(1,396,958)	(1,396,958)	(1,962)	1,394,996
1,396,958	1,396,958	4,385,022	2,988,064
\$ -	\$ -	\$ 4,383,060	\$ 4,383,060

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City of Yonkers, New York

Public Library Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 1,316,742	\$ 770,260
Accounts receivable	<u>500</u>	<u>500</u>
Total Assets	<u>\$ 1,317,242</u>	<u>\$ 770,760</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 260,660	\$ 160,986
Accrued liabilities	<u>244,751</u>	<u>29,444</u>
Total Liabilities	505,411	190,430
Fund balance		
Assigned	<u>811,831</u>	<u>580,330</u>
Total Liabilities and Fund Balance	<u>\$ 1,317,242</u>	<u>\$ 770,760</u>

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 76,460	\$ 76,460	\$ 76,388	\$ (72)
State aid	47,560	47,560	69,661	22,101
Miscellaneous	41,050	41,050	11,832	(29,218)
Total Revenues	165,070	165,070	157,881	(7,189)
EXPENDITURES				
Current				
Culture and recreation	8,202,467	8,202,467	7,963,777	238,690
Deficiency of Revenues Over Expenditures	(8,037,397)	(8,037,397)	(7,805,896)	231,501
OTHER FINANCING SOURCES (USES)				
Transfers in	9,111,431	9,111,431	9,111,431	-
Transfers out	(1,074,034)	(1,074,034)	(1,074,034)	-
Total Other Financing Sources	8,037,397	8,037,397	8,037,397	-
Net Change in Fund Balance	-	-	231,501	231,501
FUND BALANCE				
Beginning of Year	-	-	580,330	580,330
End of Year	\$ -	\$ -	\$ 811,831	\$ 811,831

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 76,460	\$ 76,460	\$ 81,855	\$ 5,395
47,560	47,560	50,958	3,398
41,050	41,050	56,436	15,386
165,070	165,070	189,249	24,179
<u>7,921,812</u>	<u>7,921,812</u>	<u>7,678,858</u>	<u>242,954</u>
<u>(7,756,742)</u>	<u>(7,756,742)</u>	<u>(7,489,609)</u>	<u>267,133</u>
8,761,535	8,761,535	8,761,535	-
(1,005,418)	(1,005,418)	(1,005,418)	-
<u>7,756,117</u>	<u>7,756,117</u>	<u>7,756,117</u>	<u>-</u>
(625)	(625)	266,508	267,133
<u>625</u>	<u>625</u>	<u>313,822</u>	<u>313,197</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580,330</u>	<u>\$ 580,330</u>

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City of Yonkers, New York

School Lunch Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
Accounts	\$ 85,015	\$ 11,265
State and Federal aid	1,332,172	1,443,561
Due from other funds	<u>7,076,046</u>	<u>6,635,090</u>
	8,493,233	8,089,916
Inventories	<u>47,813</u>	<u>143,505</u>
Total Assets	<u><u>\$ 8,541,046</u></u>	<u><u>\$ 8,233,421</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,406,593	\$ 1,731,128
Accrued liabilities	186,224	212,239
Due to other funds	6,587,705	5,979,398
Due to retirement systems	<u>63,421</u>	<u>167,151</u>
Total Liabilities	<u>8,243,943</u>	<u>8,089,916</u>
Fund balance		
Nonspendable	47,813	143,505
Assigned	<u>249,290</u>	<u>-</u>
Total Fund Balance	<u>297,103</u>	<u>143,505</u>
Total Liabilities and Fund Balance	<u><u>\$ 8,541,046</u></u>	<u><u>\$ 8,233,421</u></u>

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
State aid	\$ 215,889	\$ 215,889	\$ 192,421	\$ (23,468)
Federal aid	6,963,568	6,963,568	6,991,271	27,703
Food sales	2,083,689	2,083,689	1,882,055	(201,634)
Total Revenues	9,263,146	9,263,146	9,065,747	(197,399)
EXPENDITURES				
Current				
Employee benefits	2,147,751	2,147,751	1,935,152	212,599
Cost of food sales	7,349,290	7,349,290	7,210,892	138,398
Total Expenditures	9,497,041	9,497,041	9,146,044	350,997
Deficiency of Revenues Over Expenditures	(233,895)	(233,895)	(80,297)	153,598
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Transfers out	(16,105)	(16,105)	(16,105)	-
Total Other Financing Sources	233,895	233,895	233,895	-
Net Change in Fund Balance	-	-	153,598	153,598
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	143,505	143,505
End of Year	\$ -	\$ -	\$ 297,103	\$ 297,103

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 201,880	\$ 201,880	\$ 205,151	\$ 3,271
6,598,182	6,598,182	6,880,780	282,598
2,058,000	2,058,000	1,712,136	(345,864)
<u>8,858,062</u>	<u>8,858,062</u>	<u>8,798,067</u>	<u>(59,995)</u>
1,779,480	1,779,480	2,040,137	(260,657)
7,312,477	7,830,767	7,326,434	504,333
<u>9,091,957</u>	<u>9,610,247</u>	<u>9,366,571</u>	<u>243,676</u>
<u>(233,895)</u>	<u>(752,185)</u>	<u>(568,504)</u>	<u>183,681</u>
250,000	768,290	768,290	-
(16,105)	(16,105)	(16,105)	-
<u>233,895</u>	<u>752,185</u>	<u>752,185</u>	<u>-</u>
-	-	183,681	183,681
-	-	(40,176)	(40,176)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,505</u>	<u>\$ 143,505</u>

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City of Yonkers, New York

City Grants Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Receivables		
State and Federal aid	\$ 9,557,300	\$ 9,681,064
Due from other funds	<u>3,805,764</u>	<u>2,236,563</u>
 Total Assets	 <u>\$ 13,363,064</u>	 <u>\$ 11,917,627</u>
 LIABILITIES		
Accounts payable	\$ 1,161,366	\$ 254,951
Accrued liabilities	385,434	69,735
Due to other funds	7,988,600	6,665,366
Unearned revenues	<u>3,827,664</u>	<u>4,927,575</u>
 Total Liabilities	 <u>\$ 13,363,064</u>	 <u>\$ 11,917,627</u>

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Departmental income	\$ 471,827	\$ 471,827	\$ 308,873	\$ (162,954)
Charges for services	2,417,193	2,417,193	1,163,206	(1,253,987)
State aid	17,452,451	17,452,451	4,956,023	(12,496,428)
Federal aid	10,998,654	10,998,654	5,816,560	(5,182,094)
Miscellaneous	78,553	78,553	55,130	(23,423)
Total Revenues	31,418,678	31,418,678	12,299,792	(19,118,886)
EXPENDITURES				
Current				
Public safety	12,143,763	12,143,763	5,661,397	6,482,366
Transportation	3,803,300	3,803,300	529,899	3,273,401
Culture and recreation	35,274	35,274	23,977	11,297
Home and community services	15,436,341	15,436,341	6,084,519	9,351,822
Total Expenditures	31,418,678	31,418,678	12,299,792	19,118,886
Excess of Revenues Over Expenditures	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,393,010	\$ 1,393,010	\$ 282,684	\$ (1,110,326)
1,315,737	1,315,737	816,296	(499,441)
22,495,718	22,495,718	6,885,510	(15,610,208)
11,755,215	11,755,215	7,409,583	(4,345,632)
344,215	344,215	157,413	(186,802)
<u>37,303,895</u>	<u>37,303,895</u>	<u>15,551,486</u>	<u>(21,752,409)</u>
12,855,849	12,855,849	6,626,981	6,228,868
4,333,308	4,333,308	2,182,005	2,151,303
228,968	228,968	193,694	35,274
<u>19,885,770</u>	<u>19,885,770</u>	<u>6,548,806</u>	<u>13,336,964</u>
<u>37,303,895</u>	<u>37,303,895</u>	<u>15,551,486</u>	<u>21,752,409</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Yonkers, New York

Special Purpose Fund
Comparative Balance Sheet
June 30,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 680,069	\$ 647,792
Investments	352,478	352,106
Accounts receivable	<u>114,161</u>	<u>5,433</u>
Total Assets	<u>\$ 1,146,708</u>	<u>\$ 1,005,331</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 243,250	\$ 115,027
Fund balance		
Restricted	<u>903,458</u>	<u>890,304</u>
Total Liabilities and Fund Balance	<u>\$ 1,146,708</u>	<u>\$ 1,005,331</u>

City of Yonkers, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Miscellaneous	\$ 243,390	\$ 236,297
EXPENDITURES		
Current		
Culture and recreation	<u>230,236</u>	<u>375,926</u>
Excess (Deficiency) of Revenues Over Expenditures	13,154	(139,629)
FUND BALANCE		
Beginning of Year	<u>890,304</u>	<u>1,029,933</u>
End of Year	<u><u>\$ 903,458</u></u>	<u><u>\$ 890,304</u></u>

City of Yonkers, New York

Debt Service Fund
 Combining Balance Sheet - Sub Funds
 June 30, 2015
 (With Comparative Actuals for 2014)

	City Debt Service	Education Debt Service	Totals	
			2015	2014
ASSETS				
Cash and equivalents	\$ 49,753,537	\$ -	\$ 49,753,537	\$ 14,381,534
Due from other funds	84,961,131	7,964,765	92,925,896	75,586,863
Total Assets	\$ 134,714,668	\$ 7,964,765	\$ 142,679,433	\$ 89,968,397
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	\$ 133,376,350	\$ 7,244,673	\$ 140,621,023	\$ 88,308,263
Fund balances				
Restricted	1,338,318	720,092	2,058,410	1,660,134
Total Liabilities and Fund Balances	\$ 134,714,668	\$ 7,964,765	\$ 142,679,433	\$ 89,968,397

City of Yonkers, New York

Debt Service Fund
 Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Sub Funds
 Year Ended June 30, 2015
 (With Comparative Actuals for 2014)

	City Debt Service	Education Debt Service	Totals	
			2015	2014
REVENUES				
Use of money and property	\$ 35,141	\$ -	\$ 35,141	\$ -
EXPENDITURES				
Debt service				
Principal				
Bonds	32,375,380	17,149,620	49,525,000	43,650,000
Notes	394,188	-	394,188	463,713
Energy performance contract	842,300	-	842,300	-
State loan	-	200,000	200,000	200,000
Retirement incentives and other pension obligations	-	-	-	942,808
	<u>33,611,868</u>	<u>17,349,620</u>	<u>50,961,488</u>	<u>45,256,521</u>
Interest				
Bonds	13,874,063	4,825,448	18,699,511	21,511,432
Notes	12,854	-	12,854	19,134
Retirement incentives and other pension obligations	-	-	-	263,984
	<u>13,886,917</u>	<u>4,825,448</u>	<u>18,712,365</u>	<u>21,794,550</u>
Refunding bond issuance costs	<u>1,597,646</u>	<u>452,225</u>	<u>2,049,871</u>	<u>-</u>
Total Expenditures	<u>49,096,431</u>	<u>22,627,293</u>	<u>71,723,724</u>	<u>67,051,071</u>
Deficiency of Revenues Over Expenditures	<u>(49,061,290)</u>	<u>(22,627,293)</u>	<u>(71,688,583)</u>	<u>(67,051,071)</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	47,355,000	14,430,000	61,785,000	-
Payment to refunded bond escrow agent	(49,207,542)	(15,011,409)	(64,218,951)	-
Issuance premium	3,450,188	1,033,634	4,483,822	-
Transfers in	<u>47,816,464</u>	<u>22,220,524</u>	<u>70,036,988</u>	<u>67,164,595</u>
Total Other Financing Sources	<u>49,414,110</u>	<u>22,672,749</u>	<u>72,086,859</u>	<u>67,164,595</u>
Net Change in Fund Balances	352,820	45,456	398,276	113,524
FUND BALANCES				
Beginning of Year	<u>985,498</u>	<u>674,636</u>	<u>1,660,134</u>	<u>1,546,610</u>
End of Year	<u>\$ 1,338,318</u>	<u>\$ 720,092</u>	<u>\$ 2,058,410</u>	<u>\$ 1,660,134</u>

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 35,141	\$ 35,141
EXPENDITURES				
Debt service				
Principal				
Bonds	32,039,380	32,039,380	32,375,380	(336,000)
Notes	408,408	395,554	394,188	1,366
Energy performance contract	870,000	870,000	842,300	27,700
	<u>33,317,788</u>	<u>33,304,934</u>	<u>33,611,868</u>	<u>(306,934)</u>
Interest				
Bonds	14,382,034	14,382,034	13,874,063	507,971
Notes	-	12,854	12,854	-
	<u>14,382,034</u>	<u>14,394,888</u>	<u>13,886,917</u>	<u>507,971</u>
Refunding bond issuance costs	-	1,597,646	1,597,646	-
Total Expenditures	<u>47,699,822</u>	<u>49,297,468</u>	<u>49,096,431</u>	<u>201,037</u>
Deficiency of Revenues Over Expenditures	<u>(47,699,822)</u>	<u>(49,297,468)</u>	<u>(49,061,290)</u>	<u>236,178</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	-	47,355,000	47,355,000	-
Payment to refunded bond escrow agent	-	(49,207,542)	(49,207,542)	-
Issuance premium	-	3,450,188	3,450,188	-
Transfers in	47,699,822	47,699,822	47,816,464	116,642
Total Other Financing Sources	<u>47,699,822</u>	<u>49,297,468</u>	<u>49,414,110</u>	<u>116,642</u>
Net Change in Fund Balance	-	-	352,820	352,820
FUND BALANCE				
Beginning of Year	-	-	985,498	985,498
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,338,318</u>	<u>\$ 1,338,318</u>

2014			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
28,970,591	29,010,686	29,010,686	-
463,713	463,713	463,713	-
-	-	-	-
29,434,304	29,474,399	29,474,399	-
15,848,525	15,808,430	15,808,430	-
25,392	25,392	19,134	6,258
15,873,917	15,833,822	15,827,564	6,258
-	-	-	-
45,308,221	45,308,221	45,301,963	6,258
(45,308,221)	(45,308,221)	(45,301,963)	6,258
-	-	-	-
-	-	-	-
-	-	-	-
45,308,221	45,308,221	45,426,959	118,738
45,308,221	45,308,221	45,426,959	118,738
-	-	124,996	124,996
-	-	860,502	860,502
\$ -	\$ -	\$ 985,498	\$ 985,498

City of Yonkers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ 500	\$ 500	\$ -	\$ (500)
EXPENDITURES				
Debt service				
Principal				
Bonds	17,054,620	17,149,635	17,149,620	15
State loan	200,000	200,000	200,000	-
Retirement incentives and other pension obligations	1,365,108	-	-	-
	<u>18,619,728</u>	<u>17,349,635</u>	<u>17,349,620</u>	<u>15</u>
Interest				
Bonds	4,966,406	4,871,391	4,825,448	45,943
Retirement incentives and other pension obligations	430,541	-	-	-
	<u>5,396,947</u>	<u>4,871,391</u>	<u>4,825,448</u>	<u>45,943</u>
Refunding bond issuance costs	-	452,225	452,225	-
Total Expenditures	<u>24,016,675</u>	<u>22,673,251</u>	<u>22,627,293</u>	<u>45,958</u>
Deficiency of Revenues Over Expenditures	<u>(24,016,175)</u>	<u>(22,672,751)</u>	<u>(22,627,293)</u>	<u>45,458</u>
OTHER FINANCING SOURCES				
Refunding bonds issued	-	14,430,000	14,430,000	-
Payment to refunded bond escrow agent	-	(15,011,409)	(15,011,409)	-
Issuance premium	-	1,033,634	1,033,634	-
Transfers in	24,016,175	22,220,526	22,220,524	(2)
Total Other Financing Sources	<u>24,016,175</u>	<u>22,672,751</u>	<u>22,672,749</u>	<u>(2)</u>
Net Change in Fund Balance	-	-	45,456	45,456
FUND BALANCE				
Beginning of Year	-	-	674,636	674,636
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 720,092</u>	<u>\$ 720,092</u>

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 500	\$ 500	\$ -	\$ (500)
13,198,000	14,679,409	14,639,314	40,095
200,000	200,000	200,000	-
<u>387,672</u>	<u>942,808</u>	<u>942,808</u>	<u>-</u>
<u>13,785,672</u>	<u>15,822,217</u>	<u>15,782,122</u>	<u>40,095</u>
5,738,259	5,738,259	5,703,002	35,257
<u>69,315</u>	<u>169,040</u>	<u>263,984</u>	<u>(94,944)</u>
<u>5,807,574</u>	<u>5,907,299</u>	<u>5,966,986</u>	<u>(59,687)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>19,593,246</u>	<u>21,729,516</u>	<u>21,749,108</u>	<u>(19,592)</u>
<u>(19,592,746)</u>	<u>(21,729,016)</u>	<u>(21,749,108)</u>	<u>(20,092)</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>19,592,746</u>	<u>21,729,016</u>	<u>21,737,636</u>	<u>8,620</u>
<u>19,592,746</u>	<u>21,729,016</u>	<u>21,737,636</u>	<u>8,620</u>
-	-	(11,472)	(11,472)
<u>-</u>	<u>-</u>	<u>686,108</u>	<u>686,108</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,636</u>	<u>\$ 674,636</u>

City of Yonkers, New York

Fiduciary Funds - Agency Fund
 Statement of Changes in Assets and Liabilities
 Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
ASSETS				
Cash and equivalents	\$ 9,650,750	\$ 37,619,286	\$ 30,707,603	\$ 16,562,433
Investments	126,549	416	416	126,549
Accounts receivable	1,238,952	1,156,268	231,667	2,163,553
Total Assets	\$ 11,016,251	\$ 38,775,970	\$ 30,939,686	\$ 18,852,535
LIABILITIES				
Accounts payable	\$ 638,884	\$ 3,869,291	\$ 3,612,024	\$ 896,151
Employee payroll deductions	2,603,122	12,353,853	4,125,066	10,831,909
Deposits	7,515,486	24,124,209	24,817,414	6,822,281
Student activity funds	258,759	949,506	906,071	302,194
Total Liabilities	\$ 11,016,251	\$ 41,296,859	\$ 33,460,575	\$ 18,852,535

STATISTICAL SECTION
(UNAUDITED)

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. These schedules include:

Net Position by Component

Changes in Net Position

Fund Balances of Governmental Funds

Changes in Fund Balances of Governmental Funds

City of Yonkers, New York

**Net Position by Component
Last Ten Fiscal Years**

	<u>2006</u>	<u>2007</u>	<u>2008(1)</u>	<u>2009</u>
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 107,094,313	\$ 94,752,686	\$ 106,910,542	\$ 124,459,391
Restricted	16,567,548	15,864,496	14,014,825	13,152,826
Unrestricted	<u>(79,012,460)</u>	<u>(73,274,434)</u>	<u>(188,438,710)</u>	<u>(315,242,278)</u>
Total Primary Government				
Net Position	<u>\$ 44,649,401</u>	<u>\$ 37,342,748</u>	<u>\$ (67,513,343)</u>	<u>\$ (177,630,061)</u>

- (1) Decrease in net position due to initial implementation of Governmental Accounting Standards Board Statement No. 45 "*Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*".
- (2) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 68 "*Accounting and Financial Reporting for Pensions*".

2010	2011	2012	2013	2014	2015(2)
\$ 138,726,316	\$ 145,785,120	\$ 152,139,303	\$ 169,689,871	\$ 185,485,893	\$ 197,113,917
15,735,859	10,091,958	10,390,761	12,781,517	15,582,841	12,625,956
(470,490,453)	(546,741,785)	(632,055,187)	(771,684,413)	(952,318,671)	(1,030,371,616)
<u>\$ (316,028,278)</u>	<u>\$ (390,864,707)</u>	<u>\$ (469,525,123)</u>	<u>\$ (589,213,025)</u>	<u>\$ (751,249,937)</u>	<u>\$ (820,631,743)</u>

City of Yonkers, New York

Changes In Net Position
Last Ten Fiscal Years

	2006	2007	2008 (1)	2009
EXPENSES				
Governmental Activities				
General government support	\$ 69,727,673	\$ 83,035,170	\$ 107,208,807	\$ 106,742,971
Education	446,386,197	469,606,585	551,126,474	576,551,439
Public safety	190,446,990	207,787,247	244,053,376	253,865,905
Transportation	593,767	2,234,883	2,602,672	3,065,761
Culture and recreation	21,282,353	24,719,057	25,499,497	24,670,215
Home and community services	64,908,516	73,613,403	65,682,006	73,083,760
Interest	20,204,810	20,303,610	22,333,142	23,808,854
Total Primary Government Expenses	813,550,306	881,299,955	1,018,505,974	1,061,788,905
PROGRAM REVENUES				
Governmental Activities				
Charges for services				
General government support	10,517,560	10,621,989	11,682,117	13,283,433
Education	3,553,732	3,671,317	3,448,088	3,140,648
Public safety	7,748,837	8,335,163	9,853,742	6,610,128
Transportation	453,800	454,737	455,814	456,850
Culture and recreation	1,521,759	1,774,319	1,957,550	2,196,019
Home and community services	20,203,287	21,363,104	18,597,391	21,972,439
Operating grants and contributions	120,649,287	143,292,938	82,247,581	93,129,537
Capital grants and contributions	2,873,750	6,118,370	9,099,083	13,653,580
Total Primary Government Program Revenues	167,522,012	195,631,937	137,341,366	154,442,634
Total Primary Government Net Expense	(646,028,294)	(685,668,018)	(881,164,608)	(907,346,271)
GENERAL REVENUES				
Governmental Activities				
Taxes				
Real property taxes	228,291,531	230,149,127	243,479,848	261,820,029
Other tax items	64,179,579	66,695,812	77,857,974	61,293,509
Non-property taxes	89,499,197	109,959,457	106,655,950	99,234,839
Forfeitures	1,575	3,250	6,250	12,150
Unrestricted use of money and property	4,721,035	5,111,039	3,915,975	1,114,401
Sale of property and compensation for loss	-	-	2,789	5,212
Unrestricted State aid	237,000,752	261,290,934	339,072,658	360,379,774
Federal aid	29,206	32,734	28,887	29,018
Gain on sale of real property	-	-	-	-
Insurance recoveries	-	-	-	-
Miscellaneous	24,414,800	5,027,291	5,288,186	13,340,621
Total Primary Government	648,137,675	678,269,644	776,308,517	797,229,553
CHANGE IN NET POSITION				
Total Primary Government	\$ 2,109,381	\$ (7,398,374)	\$ (104,856,091)	\$ (110,116,718)

(1) Decrease due to initial implementation of Governmental Accounting Standards Board Statement No. 45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions".

(2) Reflects initial implementation of Governmental Accounting Standards Board Statement No. 68 "Accounting and Financial Reporting for Pensions".

2010	2011	2012	2013	2014	2015(2)
\$ 114,557,722	\$ 92,153,380	\$ 109,233,631	\$ 96,698,090	\$ 107,100,494	\$ 137,770,430
610,339,040	584,220,136	574,517,266	604,723,981	647,422,656	609,518,158
249,200,177	253,462,854	245,285,519	277,342,296	275,001,739	283,662,266
3,748,615	3,762,332	1,644,099	2,554,540	6,172,307	6,809,978
27,174,255	20,244,726	24,923,829	28,174,200	28,498,545	29,597,372
80,486,508	78,678,985	92,983,418	86,846,243	86,636,459	82,700,233
21,830,388	22,705,567	21,507,938	20,408,530	21,239,113	19,391,454
<u>1,107,336,705</u>	<u>1,055,227,980</u>	<u>1,070,095,700</u>	<u>1,116,747,880</u>	<u>1,172,071,313</u>	<u>1,169,449,891</u>
11,662,302	15,196,280	16,533,157	16,242,532	19,468,301	21,189,174
3,057,251	2,648,820	2,983,150	2,918,507	2,666,651	2,669,696
8,057,938	8,995,653	7,675,845	8,358,062	7,768,318	13,221,978
483,993	473,027	474,493	475,298	476,745	476,745
2,257,067	2,548,614	2,631,213	2,690,904	2,647,887	2,543,170
23,470,866	25,569,193	29,142,758	33,845,283	34,289,017	35,612,489
106,495,033	106,646,647	90,099,855	98,127,740	91,087,054	92,534,142
6,242,682	918,951	308,144	1,088,882	165,268	201,359
<u>161,727,132</u>	<u>162,997,185</u>	<u>149,848,615</u>	<u>163,747,208</u>	<u>158,569,241</u>	<u>168,448,753</u>
<u>(945,609,573)</u>	<u>(892,230,795)</u>	<u>(920,247,085)</u>	<u>(953,000,672)</u>	<u>(1,013,502,072)</u>	<u>(1,001,001,138)</u>
275,684,037	286,255,827	292,352,321	300,323,045	302,493,214	317,266,537
66,758,036	64,637,100	72,026,152	75,579,609	78,870,430	81,961,747
96,551,065	101,458,201	115,619,511	120,189,039	125,049,902	134,923,934
8,275	1,175	1,600	6,750	975	-
498,478	270,688	256,191	224,682	127,257	93,440
14,770	14,628	307,875	258,202	1,302,671	735,537
347,251,203	351,076,326	342,328,128	328,309,196	333,252,133	379,624,711
15,346,588	8,155,256	75,522	20,804	-	-
-	266,270	-	-	807,193	-
-	-	-	-	1,227,935	-
5,098,904	5,258,895	8,407,534	8,401,443	8,333,450	6,803,053
<u>807,211,356</u>	<u>817,394,366</u>	<u>831,374,834</u>	<u>833,312,770</u>	<u>851,465,160</u>	<u>921,408,959</u>
<u>\$ (138,398,217)</u>	<u>\$ (74,836,429)</u>	<u>\$ (88,872,251)</u>	<u>\$ (119,687,902)</u>	<u>\$ (162,036,912)</u>	<u>\$ (79,592,179)</u>

City of Yonkers, New York

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2006	2007	2008	2009
GENERAL FUND				
Reserved	\$ 3,227,658	\$ 3,655,713	\$ 3,963,954	\$ 2,482,203
Unreserved	43,921,474	36,650,000	19,830,535	19,579,485
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 47,149,132</u>	<u>\$ 40,305,713</u>	<u>\$ 23,794,489</u>	<u>\$ 22,061,688</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 22,036,591	\$ 31,430,038	\$ 7,651,747	\$ 8,634,537
Unreserved, Reported In				
Special revenue funds	5,993,456	14,107,503	18,025,302	25,776,070
Capital projects funds	66,247,726	65,236,523	105,753,666	77,262,515
Debt service funds	1,780,000	4,126,560	1,495,416	569,919
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 96,057,773</u>	<u>\$ 114,900,624</u>	<u>\$ 132,926,131</u>	<u>\$ 112,243,041</u>
Total Governmental Funds	<u>\$ 143,206,905</u>	<u>\$ 155,206,337</u>	<u>\$ 156,720,620</u>	<u>\$ 134,304,729</u>

(1) Components of fund balance were reclassified with the June 30, 2011 implementation of Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions".

2010	2011 (1)	2012	2013	2014	2015
\$ 2,355,246	\$ -	\$ -	\$ -	\$ -	\$ -
9,231,545	-	-	-	-	-
-	10,600	3,071,221	4,464,686	3,543,829	4,173,560
-	5,638,555	10,825,579	18,816,058	33,036,096	39,214,537
-	8,866,923	20,918,509	31,597,978	37,494,895	37,950,372
<u>\$ 11,586,791</u>	<u>\$ 14,516,078</u>	<u>\$ 34,815,309</u>	<u>\$ 54,878,722</u>	<u>\$ 74,074,820</u>	<u>\$ 81,338,469</u>
\$ 7,856,804	\$ -	\$ -	\$ -	\$ -	\$ -
26,725,258	-	-	-	-	-
77,911,500	-	-	-	-	-
(51,995)	-	-	-	-	-
-	187,741	3,219,474	2,859,762	3,888,520	1,613,965
-	29,011,827	40,776,006	96,905,552	55,487,406	67,997,029
-	6,350,000	4,850,000	-	-	-
-	29,842,285	74,846,347	21,211,004	8,027,778	13,129,509
-	7,477,234	(323,253)	(169,809)	(38,878,918)	(993,470)
<u>\$ 112,441,567</u>	<u>\$ 72,869,087</u>	<u>\$ 123,368,574</u>	<u>\$ 120,806,509</u>	<u>\$ 28,524,786</u>	<u>\$ 81,747,033</u>
<u>\$ 124,028,358</u>	<u>\$ 87,385,165</u>	<u>\$ 158,183,883</u>	<u>\$ 175,685,231</u>	<u>\$ 102,599,606</u>	<u>\$ 163,085,502</u>

City of Yonkers, New York

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2006	2007	2008	2009
REVENUES				
Real property taxes	\$ 226,984,887	\$ 230,300,603	\$ 242,095,675	\$ 259,527,109
Other tax items	64,179,579	66,695,812	77,857,974	61,293,509
Non-property taxes	89,499,197	109,959,457	106,655,950	99,234,839
Departmental income	37,810,495	38,753,688	39,435,647	42,104,661
Charges for services	4,020,416	4,530,039	4,869,525	1,639,751
Use of money and property	7,937,660	9,849,304	8,216,873	4,008,968
Forfeitures	1,575	3,250	6,250	12,150
Sale of property and compensation for loss	18,891	522,359	342,344	179,662
Interfund revenues	10,470,994	7,458,311	1,015,791	978,608
State aid	306,302,480	355,970,956	373,986,873	410,188,591
Federal aid	50,680,799	48,966,240	51,369,201	51,956,337
Food sales	2,528,686	2,844,156	2,631,840	2,428,892
Miscellaneous	25,211,666	6,156,487	6,595,516	16,914,863
Total Revenues	825,647,325	882,010,662	915,079,459	950,467,940
EXPENDITURES				
Current				
General government support	56,151,739	65,630,420	68,909,397	70,590,772
Education	337,624,743	352,300,707	361,617,951	380,230,067
Public safety	130,326,045	137,473,311	149,461,196	142,668,880
Transportation	2,030,712	2,069,378	2,250,783	2,522,108
Culture and recreation	17,358,599	16,308,886	17,235,602	17,134,454
Home and community services	52,230,188	55,311,345	51,554,605	56,069,968
Employee benefits	186,360,113	198,324,174	207,981,306	200,428,268
Cost of food sales	6,632,223	7,083,184	7,162,309	7,014,153
Debt service				
Principal	27,430,403	31,061,403	33,267,259	36,245,417
Interest	17,293,442	20,488,649	23,010,388	24,754,281
Refunding bond issuance costs	-	-	-	-
Capital outlay	116,591,563	44,129,784	48,815,452	65,009,129
Total Expenditures	950,029,770	930,181,241	971,266,248	1,002,667,497
Deficiency of Revenues Over Expenditures	(124,382,445)	(48,170,579)	(56,186,789)	(52,199,557)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Issuance premium	1,085,500	2,243,130	1,026,072	-
Bonds issued	52,640,000	48,875,000	56,675,000	14,164,000
Bond anticipation notes issued	-	-	-	5,400,000
Notes issued	-	-	-	10,219,666
Loans issued	-	-	-	-
Issuance costs	-	-	-	-
Sale of real property	-	-	-	-
State loan issued	-	-	-	-
State loan - retirement	9,222,869	9,051,881	-	-
Insurance recoveries	-	-	-	-
Energy performance contract issued	-	-	-	-
Transfers in	234,346,883	270,894,250	271,901,282	290,023,383
Transfers out	(234,346,883)	(270,894,250)	(271,901,282)	(290,023,383)
Total Other Financing Sources	62,948,369	60,170,011	57,701,072	29,783,666
Net Change in Fund Balances	\$ (61,434,076)	\$ 11,999,432	\$ 1,514,283	\$ (22,415,891)
Debt Service as a Percentage of Non-Capital Expenditures	5.3%	5.7%	6.1%	6.4%

	2010	2011	2012	2013	2014	2015
\$	272,185,428	\$ 281,141,856	\$ 289,233,129	\$ 305,492,125	\$ 306,231,052	\$ 315,999,359
	66,758,036	64,637,100	72,026,152	75,579,609	78,870,430	81,961,747
	96,551,065	101,458,201	115,619,511	120,189,039	125,049,902	134,923,934
	43,152,935	50,340,662	54,345,600	59,550,507	60,475,476	71,943,358
	2,175,963	2,454,558	2,166,655	1,287,372	1,394,855	1,703,402
	1,294,407	676,970	1,123,190	1,144,704	1,075,132	963,768
	8,275	1,175	1,600	6,750	975	-
	229,631	238,588	327,370	474,752	4,194,671	735,537
	1,503,125	1,215,987	930,311	802,375	860,523	961,887
	387,913,948	385,536,864	379,197,328	370,846,330	371,689,310	422,904,701
	79,978,174	79,415,310	52,113,409	54,962,067	51,304,469	47,382,715
	2,387,226	2,091,379	2,122,494	1,989,735	1,712,136	1,882,055
	12,474,334	7,077,996	8,322,953	10,119,862	9,801,713	8,830,490
	<u>966,612,547</u>	<u>976,286,646</u>	<u>977,529,702</u>	<u>1,002,445,227</u>	<u>1,012,660,644</u>	<u>1,090,192,953</u>
	90,193,733	74,270,685	84,799,011	78,047,611	72,735,309	96,617,811
	399,394,075	381,717,571	367,300,654	392,760,138	411,981,049	403,351,031
	145,703,692	140,277,496	143,026,543	144,844,426	147,603,655	157,592,026
	3,145,339	3,159,440	1,567,905	1,949,464	4,953,065	2,927,135
	16,480,097	14,997,660	15,093,456	15,315,630	16,212,230	16,676,412
	60,043,934	63,695,300	64,900,922	65,653,674	60,945,008	67,340,391
	205,895,109	226,517,753	232,468,118	238,474,631	252,828,101	266,227,317
	7,052,612	6,878,962	6,996,278	7,088,976	7,326,434	7,210,892
	45,957,628	38,063,952	53,303,407	44,944,850	46,294,960	59,127,659
	22,349,835	22,037,297	19,730,990	24,375,426	23,309,149	20,246,809
	-	-	-	351,624	-	2,378,311
	49,050,934	52,433,957	46,219,673	38,292,154	51,208,244	54,693,827
	<u>1,045,266,988</u>	<u>1,024,050,073</u>	<u>1,035,406,957</u>	<u>1,052,098,604</u>	<u>1,095,397,204</u>	<u>1,154,389,621</u>
	<u>(78,654,441)</u>	<u>(47,763,427)</u>	<u>(57,877,255)</u>	<u>(49,653,377)</u>	<u>(82,736,560)</u>	<u>(64,196,668)</u>
	-	-	-	49,150,000	-	61,785,000
	-	-	-	(51,868,274)	-	(64,218,951)
	1,041,051	-	5,162,591	5,887,999	-	13,103,612
	51,021,000	-	113,130,000	56,920,000	-	112,520,000
	14,800,000	2,000,000	-	7,065,000	-	-
	1,516,019	8,090,419	-	-	-	1,492,903
	-	-	341,770	-	-	-
	-	-	(170,223)	-	-	-
	-	200,000	-	-	-	-
	-	829,815	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	1,227,935	-
	-	-	-	-	8,423,000	-
	294,171,762	290,798,606	296,975,124	313,321,291	320,803,342	324,594,263
	<u>(294,171,762)</u>	<u>(290,798,606)</u>	<u>(296,975,124)</u>	<u>(313,321,291)</u>	<u>(320,803,342)</u>	<u>(324,594,263)</u>
	<u>68,378,070</u>	<u>11,120,234</u>	<u>118,464,138</u>	<u>67,154,725</u>	<u>9,650,935</u>	<u>124,682,564</u>
\$	<u>(10,276,371)</u>	<u>\$ (36,643,193)</u>	<u>\$ 60,586,883</u>	<u>\$ 17,501,348</u>	<u>\$ (73,085,625)</u>	<u>\$ 60,485,896</u>
	6.8%	6.2%	7.3%	6.8%	6.7%	7.2%

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. These schedules include:

Assessed Value and Estimated Actual Value
of Taxable Property

Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation

Principal Taxpayers

Property Tax Levies and Collections

Computation of Constitutional Tax Margin

City of Yonkers, New York

**Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

<u>Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Special Franchise (1)</u>	<u>Assessed Value (2)</u>
2006	\$ 302,047,000	\$ 184,937,168	\$ 11,835,000	\$ 17,959,779	\$ 516,778,947
2007	303,296,000	177,493,972	11,270,000	18,624,241	510,684,213
2008	303,023,632	175,610,011	11,252,977	18,812,468	508,699,088
2009	306,533,996	170,539,144	10,279,497	15,499,698	502,852,335
2010	304,612,788	156,880,931	10,432,912	17,156,259	489,082,890
2011	299,493,453	155,332,661	10,198,215	18,822,499	483,846,828
2012	295,363,498	152,089,693	9,822,044	18,822,499	476,097,734
2013	293,056,452	151,007,227	8,719,143	26,240,243	479,023,065
2014	290,193,996	151,713,915	8,574,853	24,842,941	475,325,705
2015	285,562,477	151,845,007	8,339,862	27,010,486	472,757,832

(1) Assessed valuation of transmission lines of Consolidated Edison and Verizon

(2) Assessed valuation for City purposes

(3) Assessed valuation for educational purposes

(4) Provided by the New York State Office of Real Property Services

Note: Estimated actual taxable value is calculated by dividing taxable assessed value by the state special equalization rate. Tax rates are per \$1,000 of assessed value.

Plus Veteran's Exemption	Total Taxable Assessed Value (3)	State Special Equalization Rate (4)	Estimated Actual Taxable Value	Total Direct Tax Rate
\$ 6,956,154	\$ 523,735,101	2.78 %	\$ 18,839,392,122	\$ 488.72
7,087,789	517,772,002	2.14	24,194,953,364	503.38
8,700,433	517,399,521	2.34	22,111,090,641	528.43
7,590,723	510,443,058	2.64	19,334,964,318	568.08
7,696,865	496,779,755	3.00	16,559,325,167	600.75
7,700,399	491,547,227	3.10	15,856,362,161	624.76
8,155,530	484,253,264	3.24	14,946,088,395	654.78
7,525,610	486,548,675	3.18	15,300,272,799	677.02
7,192,720	482,518,425	3.12	15,465,334,135	688.93
7,724,788	480,482,620	3.09	15,549,599,353	701.59

City of Yonkers, New York

**Direct and Overlapping Property Tax Rates,
Per \$1,000 of Assessed Valuation
Last Ten Fiscal Years**

Year	City Direct Rate (1)	Overlapping Rates		
		Westchester County		
		Operating	Sewer Districts (2)	Refuse Disposal District
2006	\$ 488.72	\$ 94.76	\$ 12.20	\$ 10.92
2007	503.38	99.79	13.78	11.04
2008	528.43	123.69	11.76	16.49
2009	568.08	126.24	18.10	11.75
2010	600.75	122.15	19.26	11.48
2011	624.76	120.42	19.10	11.61
2012	654.78	117.60	18.51	11.35
2013	677.02	113.38	18.32	10.92
2014	688.93	117.86	18.82	10.90
2015	701.59	116.98	18.44	10.86

(1) A single direct property tax rate applies to all classes of real property.

(2) Average rate for five sewer districts

Source: City of Yonkers Department of Finance

City of Yonkers, New York

**Principal Taxpayers
Current Year and Nine Years Ago**

2015				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 36,556,149	7.61 %
2	Cali's Westchester Realty	Office Park	3,602,600	0.75
3	City of New York	Utility	2,860,900	0.60
4	G & C Yonkers Realty LLC	Shopping Center	2,306,700	0.48
5	Crestwood Lake	Apartments	1,708,465	0.36
6	AAC Cross County Mall LLC	Shopping Mall	1,665,500	0.35
7	Verizon New York Inc.	Utility	1,543,767	0.32
8	Sadore Lane Gardens Apartments	Apartments	1,484,711	0.31
9	Fleetwood Park Corp	Apartments	1,152,000	0.24
10	Central Plaza Associates Llc	Shopping Center	1,093,000	0.23
	Total		\$ 53,973,792	11.23 %

2006				
Rank	Taxpayer	Type of Business	Net Assessed Valuation	Percent of Net Assessed Valuation
1	Con Edison	Utility	\$ 28,937,922	5.53 %
2	Marx Realty Holding	Shopping Center	6,692,280	1.28
3	Acklinis Realty Holding	Shopping Center	2,910,800	0.56
4	City of New York Water Supply	Utility	2,860,900	0.55
5	Verizon New York Inc.	Utility	2,438,230	0.47
6	Yonkers Racing Corporation	Harness Racing Track	2,400,000	0.46
7	CR Riverdale Limited	Apartments	1,980,000	0.38
8	Sadore Lane Gardens Apartments	Apartments	1,855,307	0.35
9	Lilac New York Corporation	Shopping Center	1,655,500	0.32
10	Cali So. West. Realty Assoc.	Office Park	1,460,150	0.28
	Total		\$ 53,191,089	10.16 %

Sources: City of Yonkers Assessment Roll

City of Yonkers, New York

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 254,836,170	\$ 248,817,723	97.64 %	\$ 5,548,791	\$ 254,366,514	99.82 %
2007	259,913,858	252,975,394	97.33	6,175,498	259,150,892	99.71
2008	272,356,847	265,440,419	97.46	6,079,156	271,519,575	99.69
2009	288,912,696	278,796,348	96.50	8,234,159	287,030,507	99.35
2010	297,192,534	286,263,245	96.32	3,698,045	289,961,290	97.57
2011	305,699,826	292,001,250	95.52	425,820	292,427,070	95.66
2012	315,524,266	302,517,073	95.88	10,541,946	313,059,019	99.22
2013	327,820,814	313,694,684	95.69	3,457,218	317,151,902	96.75
2014	330,920,260	322,055,121	97.32	849,443	322,904,564	97.58
2015	335,448,551	325,319,867	96.98	1,034,514	326,354,381	97.29

(1) Includes amounts for City and educational purposes

City of Yonkers Department of Finance as of September 30, 2015.

City of Yonkers, New York

**Computation of Constitutional Tax Margin
June 30, 2015**

<u>Assessment Roll</u>			<u>State Special Equalization Rate</u>	<u>Full Valuation</u>
<u>Year</u>	<u>Budget Year</u>	<u>Assessed Valuation</u>		
2014	2015	\$ 480,482,620	3.09 %	\$ 15,549,599,353
2013	2014	482,518,425	3.12	15,465,334,135
2012	2013	486,548,675	3.18	15,300,272,799
2011	2012	484,253,264	3.24	14,946,088,395
2010	2011	491,547,227	3.10	15,856,362,161
Total Five Year Full Valuation				<u>\$ 77,117,656,842</u>
Five Year Average Full Valuation of Taxable Real Property				<u>\$ 15,423,531,368</u>
Tax Levying Limitation - 2% of Average Full Valuation				308,470,627
Total Exclusions				<u>66,615,743</u>
Maximum Taxing Power				375,086,370
Total Levy for 2014-15				<u>335,448,551</u>
Tax Margin				<u>\$ 39,637,819</u>

Constitutional Tax Limit - Last Ten Fiscal Years:

<u>Year</u>	<u>Maximum Taxing Power</u>	<u>Tax Levy</u>	<u>Tax Limit Available</u>	<u>Percent Exhausted</u>
2006	\$ 351,817,363	\$ 254,836,170	\$ 96,981,193	72.43 %
2007	396,782,670	259,913,858	136,868,812	65.51
2008	430,355,891	272,356,847	157,999,044	63.29
2009	523,669,328	288,912,696	234,756,632	55.17
2010	539,391,129	297,192,534	242,198,595	55.10
2011	508,219,999	305,699,826	202,520,173	60.15
2012	438,683,688	315,524,266	123,159,422	71.93
2013	390,601,233	327,820,814	62,780,419	83.93
2014	347,730,272	330,920,260	16,810,012	95.17
2015	375,086,370	335,448,551	39,637,819	89.43

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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. These schedules include:

Ratios of Outstanding Debt by Type

Ratios of Net General Bonded Debt Outstanding

Direct and Overlapping Governmental Activities Debt

Legal Debt Margin Information

City of Yonkers, New York

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Notes</u>	<u>Loan</u>	<u>Bond Anticipation Note</u>	<u>State Loan</u>
2006	\$ 427,233,988	\$ 3,572,742	\$ -	\$ -	\$ 4,800,000
2007	449,418,684	3,284,907	-	-	4,600,000
2008	476,668,608	2,977,311	-	-	4,400,000
2009	457,536,866	12,859,206	-	5,400,000	4,200,000
2010	472,610,648	13,554,877	-	14,800,000	4,000,000
2011	437,472,776	20,529,397	-	16,800,000	3,800,000
2012	519,774,591	19,137,620	341,770	-	3,600,000
2013	539,404,439	17,690,456	341,770	7,065,000	3,400,000
2014	493,769,884	16,188,304	341,770	7,065,000	3,200,000
2015	570,486,892	16,185,848	341,770	-	3,000,000

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

Energy Performance Contract	Total Gross Long-Term Debt	Less: Amounts Available in Debt Service Fund	Net Long-Term Debt	Percentage of Personal Income (1)	Per Capita (1)
\$ -	\$ 435,606,730	\$ 5,407,115	\$ 430,199,615	9.63 %	\$ 2,194
-	457,303,591	5,331,907	451,971,684	8.37	2,284
-	484,045,919	1,916,041	482,129,878	8.87	2,420
-	479,996,072	586,705	479,409,367	8.18	2,378
-	504,965,525	-	504,965,525	8.71	2,511
-	478,602,173	-	478,602,173	7.94	2,442
-	542,853,981	462,171	542,391,810	9.19	2,768
-	567,901,665	1,546,610	566,355,055	9.67	2,854
8,423,000	528,987,958	1,660,134	527,327,824	8.60	2,640
7,580,700	597,595,210	2,058,410	595,536,800	9.71	2,981

City of Yonkers, New York

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net Long-Term Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Percentage of Personal Income (1)</u>	<u>Per Capita (1)</u>
2006	\$ 427,233,988	\$ 5,407,115	\$ 421,826,873	0.02 %	9.44 %	\$ 2,151
2007	449,418,684	5,331,907	444,086,777	0.02	8.23	2,245
2008	476,668,608	1,916,041	474,752,567	0.02	8.73	2,383
2009	457,536,866	586,705	456,950,161	0.02	7.80	2,267
2010	472,610,648	-	472,610,648	0.03	8.15	2,351
2011	437,472,776	-	437,472,776	0.03	7.26	2,232
2012	519,774,591	462,171	519,312,420	0.03	8.80	2,650
2013	539,404,439	1,546,610	537,857,829	0.04	9.19	2,710
2014	493,769,884	1,660,134	492,109,750	0.03	8.03	2,463
2015	570,486,892	2,058,410	568,428,482	0.04	9.27	2,845

(1) - Population and personal income data can be found in the schedule of demographic and economic statistics

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements

City of Yonkers, New York

**Direct and Overlapping Governmental Activities Debt
June 30, 2015**

<u>Government Unit</u>	<u>Net Long-Term Debt Outstanding (1)</u>	<u>Percentage Applicable to Yonkers (2)</u>	<u>Amount Applicable to Yonkers</u>
County of Westchester	\$ 1,098,445,984	8.08 %	\$ 88,752,850
Total Direct Debt			<u>597,595,210</u>
Net Direct and Overlapping Debt			<u>\$ 686,348,060</u>

(1) At December 31, 2014. Excludes the amount available for repayment in the Debt Service Fund

(2) The percentage of overlapping debt applicable is estimated using taxable assessed values.

Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: City of Yonkers and County of Westchester Finance Departments.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City.

This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

City of Yonkers, New York

**Legal Debt Margin Information
Last Ten Fiscal Years**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 1,386,868,017	\$ 1,571,333,958	\$ 1,760,577,844	\$ 2,052,451,328
Total Net Debt Applicable to Limit	<u>371,929,416</u>	<u>384,289,854</u>	<u>406,881,704</u>	<u>392,933,854</u>
Legal Debt Margin	<u>\$ 1,014,938,601</u>	<u>\$ 1,187,044,104</u>	<u>\$ 1,353,696,140</u>	<u>\$ 1,659,517,474</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	26.82%	24.46%	23.11%	19.14%

Legal Debt Margin Calculation for Fiscal Year 2015

<u>Assessment Roll</u>			State Special Equalization Ratio	Full Valuation
<u>Year</u>	<u>Budget Year</u>	<u>Assessed Valuation</u>		
2014	2015	\$ 480,482,620	3.09	% \$ 15,549,599,353
2013	2014	482,518,425	3.12	15,465,334,135
2012	2013	486,548,675	3.18	15,300,272,799
2011	2012	484,253,264	3.24	14,946,088,395
2010	2011	491,547,227	3.10	<u>15,856,362,161</u>
Total Five Year Full Valuation				<u>\$ 77,117,656,842</u>
Five Year Average Full Valuation of Taxable Real Property				<u>15,423,531,368</u>
Debt Limit - 9% of Five Year Average Full Valuation				<u>1,388,117,823</u>
Outstanding City Debt at June 30, 2015 (1) - Serial Bonds				<u>541,405,000</u>
Less				
Exclusion for Outstanding Water Fund Debt				31,977,510
2015/16 Appropriations for Bond Principal (Exclusive of Water Fund Debt)				<u>49,280,056</u>
				<u>81,257,566</u>
Net Indebtedness Subject to Debt Limit				<u>460,147,434</u>
Net Debt Contracting Margin				<u>\$ 927,970,389</u>

(1) Excludes loans, notes, mortgage, state loans and energy performance contract indebtedness

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 2,188,783,138	\$ 2,283,392,221	\$ 1,730,794,918	\$ 1,465,449,804	\$ 1,279,130,647	\$ 1,388,117,823
<u>425,905,851</u>	<u>416,674,184</u>	<u>446,054,539</u>	<u>459,840,697</u>	<u>410,138,874</u>	<u>460,147,434</u>
<u>\$ 1,762,877,287</u>	<u>\$ 1,866,718,037</u>	<u>\$ 1,284,740,379</u>	<u>\$ 1,005,609,107</u>	<u>\$ 868,991,773</u>	<u>\$ 927,970,389</u>
19.46%	18.25%	25.77%	31.38%	32.06%	33.15%

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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. These schedules include:

Demographic Statistics

Principal Employers

City of Yonkers, New York

**Demographic Statistics
Last Ten Fiscal Years**

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Income (1)</u>	<u>Unemployment Rate (2)</u>
2006	196,086 (3) \$	4,469,388,198	\$ 22,793	4.90 %
2007	197,852 (4)	5,397,798,264	27,282	4.70
2008	199,244 (4)	5,435,774,808	27,282	5.80
2009	201,588 (4)	5,859,558,396	29,067	8.70
2010	201,066 (4)	5,797,738,110	28,835	9.00
2011	195,976 (5)	6,028,417,736	30,761	8.20
2012	195,976 (5)	5,904,168,952	30,127	8.90
2013	198,449 (4)	5,854,047,051	29,499	8.00
2014	199,766 (6)	6,130,219,242	30,687	6.80
2015	199,766 (6)	6,130,219,242	30,687	5.70

- Sources:
- (1) Source: U.S. Department of Commerce, Bureau of Census and City of Yonkers Planning Board
 - (2) New York State Department of Labor. Calendar year annualized average
 - (3) 2000 U.S. Census
 - (4) U.S. Census Bureau Estimates
 - (5) 2010 U.S. Census
 - (6) Estimated

City of Yonkers, New York

**Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2015 (1)</u>		<u>2006 (2)</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Empire City at Yonkers Raceway	1,254	1.45 %	-	- %
Pop Displays USA LLC	720	0.83	-	-
Montefiore IT	700	0.81	-	-
Liberty Lines Express Inc.	687	0.79	230	0.24
Stew Leonard's of Yonkers LLC	584	0.67	750	0.79
Consumers Reports/Union	500	0.58	400	0.42
Leake and Watts Services Inc.	463	0.53	463	0.49
Kawasaki Rail Care	506	0.58	250	0.26
Yonkers Raceway Corporation	-	-	500	0.52
American Sugar Refining Inc.	273	0.32	273	0.29
Ecker Window Corp.	-	-	300	0.31
Diam International	-	-	800	0.84
Stewart Stamping Corporation	-	-	305	0.32
Domino Foods Inc.	-	-	278	0.29
Bus Associates Inc.	-	-	262	0.28
Regency Extended Care Center	-	-	250	0.26
Ushuaia Technologies Inc.	-	-	225	0.24
Precision Valve	-	-	200	0.21
Mindspark (IAC Search)	150	0.17	-	-
	<u>5,837</u>	<u>6.74 %</u>	<u>5,486</u>	<u>5.76 %</u>

Sources:

(1) Westchester County - Major Employers by Municipality

(2) City Department of Planning and Development

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. These schedules include:

Full-Time Equivalent City Government Employees by Department

Operating Indicators by Function/Program

Capital Asset Statistics by Function/Program

City of Yonkers, New York

**Full-Time Equivalent City Government Employees by Department
Last Ten Fiscal Years**

<u>Department</u>	<u>Full-time Equivalent Employees as of June 30,</u>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Executive	11	10	10	10
Legislative	27	27	28	28
Corporation Counsel	24	25	25	25
Finance and Management Services	107	104	104	103
Human Resources	45	45	47	47
Information Technology (1)	-	-	-	-
General Services (2)	38	37	37	-
Planning and Development (3)	18	14	16	16
Housing and Community Redevelopment (3)	3	2	2	2
Police	689	687	720	720
Fire	454	453	459	459
Public Works	328	327	328	363
Engineering	29	29	34	34
Parks	106	106	106	106
Housing and Buildings	34	34	37	37
Downtown Waterfront Development (3)	5	5	5	5
Constituent Services	8	8	9	9
Inspector General	4	4	4	4
Veterans Services	2	2	3	3
Human Rights	3	3	5	5
Grants	38	36	38	32
Total	1,973	1,958	2,017	2,008

- (1) Department of Information Technology was established as a separate department under Local Law 3-2013.
- (2) General Services became a division of the Department of Public Works in 2008-09.
- (3) Services provided and positions adopted under Downtown Waterfront Development and Housing and Community Redevelopment were eventually merged into the Department of Planning and Development.
- (4) In 2015, 64 Board of Education (BOE) positions were absorbed into the City operating budget as part of the consolidation of City/BOE Human Resources, Law, Information Technology, and Finance functions.

Source: City of Yonkers Adopted Budget Books

2010	2011	2012	2013	2014	2015(4)
11	11	11	11	11	17
28	27	27	27	27	27
25	23	23	25	25	27
104	92	95	100	93	130
45	40	39	41	22	42
-	-	-	-	37	40
-	-	-	-	-	-
18	15	16	14	15	16
2	1	-	-	-	-
720	661	685	686	689	690
458	419	446	460	460	459
354	302	334	334	339	340
32	28	28	27	26	26
106	98	98	101	106	106
37	34	31	32	32	32
-	-	-	-	-	-
7	4	5	6	8	8
4	3	2	2	2	3
3	3	4	5	5	5
4	-	-	2	1	1
32	32	27	24	35	24
<u>1,990</u>	<u>1,793</u>	<u>1,871</u>	<u>1,897</u>	<u>1,933</u>	<u>1,993</u>

City of Yonkers, New York

Operating Indicators by Function/Program
Last Ten Fiscal Years

	2006	2007	2008	2009
GENERAL GOVERNMENT SUPPORT				
Building permits issued	1,454	1,252	1,418	1,344
Building inspections conducted	22,877	14,532	15,415	14,293
PUBLIC SAFETY				
Police				
Physical arrests	6,270	6,233	6,391	5,827
Parking violations	153,647	159,435	156,605	161,489
Fire				
Emergency responses	15,010	14,662	15,148	14,242
Fires extinguished	1,202	1,223	2,450	1,168
Inspections	2,601	2,424	4,600	552
CULTURE AND RECREATION				
Recreation				
Adult programs	22	35	56	56
Children's programs	15	40	46	46
Teen centers	17	17	7	7
Senior citizen's programs	16	30	26	26
Boys and girls club	12	12	12	12
Swim programs- adults	13	15	15	15
Swim programs - youths	31	35	44	44
Pre-school classes	10	11	11	10
Open gyms	3	3	-	3
Special events	50	50	50	50
Library				
Volumes in collections	712,918	749,098	702,449	737,571
Circulation	899,448	985,176	1,024,186	881,130
HOME AND COMMUNITY SERVICES				
Water				
Average daily consumption (millions of gallons)	27,700	27,700	27,662	28,000
Peak daily consumption (millions of gallons)	37,024	37,024	33,620	36,096
Refuse				
Refuse collected (tons per day)	560	566	402	409
Recyclables collected (tons per day)	630	639	220	226
Total refuse tons	111,000	111,042	104,599	106,340
Total recycling tons	76,700	76,763	57,251	58,760

Note: "N/A" indicates data not available.

Sources: Various City departments

2010	2011	2012	2013	2014	2015
1,303	1,371	1,598	1,630	1,641	1,435
16,822	15,557	13,306	14,024	14,119	21,261
6,374	6,100	6,131	6,502	5,752	3,056
153,631	217,404	147,570	148,979	169,485	184,014
14,949	14,949	14,701	15,035	15,537	17,892
1,613	1,613	1,490	1,599	1,384	1,572
1,970	1,970	3,045	6,235	6,235	5,500
56	56	99	99	56	62
46	46	94	94	153	152
7	7	6	6	8	8
26	26	35	35	72	74
12	12	12	12	11	11
15	15	58	58	48	48
44	44	238	238	243	243
10	10	39	39	40	44
3	3	2	3	2	2
50	50	60	180	180	340
753,503	769,435	650,295	678,846	678,846	480,002
855,798	868,285	920,250	895,792	786,191	764,236
29,670	29,550	27,037	26,730	26,090	26,030
39,200	39,425	37,795	35,110	33,709	31,569
370	395	367	346	335	321
171	199	201	267	228	213
96,147	102,700	91,581	90,076	87,048	83,391
44,482	51,740	50,110	69,490	59,349	55,413

City of Yonkers, New York

**Capital Asset Statistics by Function/Program
Last Ten Fiscal Years**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
GENERAL GOVERNMENT SUPPORT				
Number of general government buildings	25	25	25	25
PUBLIC SAFETY				
Number of police stations	8	8	8	11
Number of fire stations	12	12	12	12
Patrol units	20	20	20	21
TRANSPORTATION				
Miles of streets	292	292	292	292
Number of street lights	26,000	26,000	26,000	26,000
Number of traffic signals	201	201	201	201
CULTURE AND RECREATION				
Number of community centers	4	6	6	5
Number of parks	76	76	76	76
Acres of parks	410	410	410	410
Playgrounds	53	53	53	53
Baseball/softball diamonds	57	57	57	57
Outdoor tennis courts	23	23	23	23
Soccer fields	30	27	27	27
Basketball courts	48	48	48	48
Parks ancillary buildings	18	18	18	18
Rifle range	1	1	1	1
Indoor pool	1	1	1	1
Skating center	1	1	1	1
Skate board park	-	-	-	-
Animal shelter	1	1	1	1
Nature trails	2	2	2	2
Greenhouses	2	2	2	2
Picnic areas	2	2	2	2
Libraries	3	3	3	3
HOME AND COMMUNITY SERVICES				
Miles of water mains	375	375	375	375
Fire hydrants	4,500	4,500	4,500	4,500
Miles of sanitary sewers	400	400	400	400

Sources: Various City departments

2010	2011	2012	2013	2014	2015
25	25	25	25	25	18
11	11	11	11	11	10
12	12	12	12	12	10
21	21	21	21	22	22
292	292	292	292	292	292
26,000	26,000	26,000	26,000	26,000	26,000
201	201	201	215	215	215
5	5	5	5	5	5
76	76	76	76	76	79
410	410	410	410	410	413
53	53	53	53	53	54
57	57	57	57	57	57
23	23	23	24	24	24
27	27	27	27	27	27
48	48	48	48	48	48
18	18	18	18	18	18
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
-	-	-	1	1	1
1	1	1	1	1	2
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
2	2	2	2	2	2
3	3	3	3	3	3
375	375	375	385	385	385
4,500	4,500	4,500	4,500	4,500	4,500
400	400	400	400	400	400

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FEDERAL AWARDS

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

Independent Auditors' Report

**The Honorable Mayor and City Council
of the City of Yonkers, 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, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Yonkers, New York ("City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as findings 2015-001 to 2015-005 that we consider to be significant deficiencies.

O'CONNOR DAVIES, LLP

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as finding 2015-006.

We noted certain other matters that we reported to the management of the City in a separate letter.

City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
January 8, 2016

**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance Required by OMB Circular A-133****Independent Auditors' Report****The Honorable Mayor and the City Council
of the City of Yonkers, New York****Report on Compliance for Each Major Federal Program**

We have audited the City of Yonkers, New York's ("City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Education Fund, the Education Special Aid Fund, the Education Capital Projects Fund, the School Lunch Fund and the Education Debt Service Fund, which received \$34,078,763 in federal awards which is not included in the schedule during the year ended June 30, 2015. Our audit, described below, did not include the operations of these funds because the A-133 compliance audit is being issued under separate cover by the Yonkers Public Schools.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

O'CONNOR DAVIES, LLP

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2015-006. Our opinion on each major federal program is not modified with respect to this matter.

The City's response to the non-compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-006, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
January 8, 2016

City of Yonkers, New York

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Programs		
Community Development Block Grants	14.218	\$ 2,850,192
Emergency Solutions Grant Program	14.231	379,566
Home Investment Partnerships Program	14.239	<u>2,348,324</u>
		5,578,082
Indirect Program - Passed through the City of New York		
Housing Opportunities for Persons with AIDS	14.241	<u>203,556</u>
Total U.S. Department of Housing and Urban Development		<u>5,781,638</u>
<u>U.S. Department of Justice</u>		
Direct Programs		
Edward Byrne Memorial Justice Assistance Grant	16.738	52,958
Public Safety Partnership and Community Policing Grants	16.710	645,457
Paul Coverdell Forensic Sciences Improvement Grant	16.742	<u>9,913</u>
Total U.S. Department of Justice		<u>708,328</u>
<u>U.S. Department of Labor</u>		
Indirect Programs - Passed through New York State Department of Labor		
<i>Workforce Investment Act (WIA) Cluster</i>		
WIA - Adult Program	17.258	384,423
WIA - Youth Activities	17.259	449,703
WIA - Dislocated Workers Formula Grant	17.278	<u>371,531</u>
Subtotal WIA Cluster		1,205,657
Trade Adjustment Assistance	17.245	20,000
WIA - National Emergency Grants	17.277	<u>171,722</u>
Total U.S. Department of Labor		<u>1,397,379</u>

(Continued)

City of Yonkers, New York

**Schedule of Expenditures of Federal Awards (Concluded)
Year Ended June 30, 2015**

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Health and Human Services</u>		
Indirect Programs - Passed through Westchester County		
<i>Aging Program Cluster</i>		
Aging - Title III, Part B Grants for Supportive Services and Senior Centers	93.044	\$ 145,823
Aging - Title III, Part C Nutrition Services	93.045	<u>230,997</u>
Subtotal Aging Program Cluster		376,820
National Family Caregiver Support, Title III, Part E	93.052	<u>26,595</u>
Total U.S. Department of Health and Human Services		<u>403,415</u>
<u>U.S Department of Homeland Security</u>		
Direct Program		
Assistance to Firefighters Grant	97.044	131,432
Indirect Programs		
Passed through New York State Division of Homeland Security and Emergency Services		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	505,472
Emergency Management Performance Grants	97.042	16,532
Passed through New York State Office of Homeland Security		
Homeland Security Grant Program	97.067	3,706,918
Metropolitan Medical Response System	97.071	<u>98,013</u>
Total U.S. Department of Homeland Security		<u>4,458,367</u>
Total Expenditures of Federal Awards		<u>\$ 12,749,127</u>

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.

City of Yonkers, New York

Notes to Schedule of Expenditures of Federal Awards
June 30, 2015

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Yonkers, New York ("City") under programs of the federal government for the year ended June 30, 2015. 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 the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

The financial statements include \$34,078,763 of Federal aid that is attributable to the Yonkers City School District. The audit of compliance in accordance with OMB Circular A-133 will be issued separately by the School District.

City of Yonkers, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Finding 2014-001: Matching of Federal Expenditures and Revenues

Condition: Expenditures of Federal awards and the related revenue should be recorded as such in the fiscal year that the expenditure is incurred. Revenues were not matched to expenditures incurred.

Current Status: This condition was partly addressed. See similar finding 2015-001.

Finding 2014-002: Section 108 and HOME Loan Programs

Condition: There is no procedure in place to notify management of delinquent loan repayments so that management can establish proper allowances in the books and records. Several of these Section 108 loans made to businesses in the past are in arrears. The City has had to utilize its own resources available under its Community Development Block Grant to make the required payments. New HOME loans are not posted in the general ledger.

Current Status: This condition was partly addressed in connection with the Section 108 Loan Program. See similar finding 2015-002.

Finding 2014-003: Block Grant Fund

Condition: Receivables reflected in the books and records should be identifiable and collectible. A receivable balance of \$1.3 million has remained on the books for several years.

Current Status: This condition was partly addressed. See similar finding 2015-003.

Finding 2014-004: Cash

Condition: Bank account reconciliations should be performed on a monthly basis. Reconciling items, such as non-sufficient funds checks, should be posted back to the original account until successfully redeposited. All deposits should be posted immediately to the general ledger. Bank reconciliations for the City's larger accounts are not done in a timely manner on a monthly basis. Non-sufficient funds checks are carried on the bank reconciliation from month to month without adjusting the original account that was relieved. Actual bank deposits are not posted to the general ledger in a timely manner.

Current Status: This condition has been corrected.

Finding 2014-005: Budget Amendments and Transfers

Condition: General Municipal Law provides that no expenditure be made unless an amount has been appropriated for a particular purpose and is available. Our audit disclosed several functional expenditure categories exceeded their budgetary authorizations.

Current Status: This condition was partly addressed. See similar finding 2015-004.

City of Yonkers, New York

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

Finding 2014-006: Grant Fund

Condition: The Grant Fund is tracked on a cash basis in the accounting system while an excel spreadsheet is utilized to record accruals and deferrals. Neither finance nor departmental personnel track the status of these accruals and deferrals. Certain receivables and deferrals remain on the books and are never adjusted.

Current Status: This condition was partly addressed. See similar finding 2015-005.

Finding 2014-007: Accrued Liabilities

Condition: Accrued liabilities represent obligations for goods and services provided to the City for which an invoice had not yet been received and so could not be recorded in accounts payable. The ORACLE system reflected an automatic entry for accrued liabilities at the end of each month that did not represent valid obligations at year end.

Current Status: This condition was partly addressed and reported as a control deficiency in the current year.

Finding 2014-008: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers

Condition: Circular A-133 states that the auditee must prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. At the commencement of our field work, a SEFA was not provided by the City.

Current Status: This condition was partly addressed. See similar finding 2015-006.

Finding 2014-009: CFDA 14.218 Community Block Development Grant, CFDA 14.239 HOME Investment Partnership Program, CFDA 17.258/259/278 Workforce Investment Act Cluster – Pass Through Entity Responsibilities and Subrecipient Monitoring

Condition: The City, as a pass-through entity, is required to monitor subrecipients' use of federal awards. The City had limited or no evidence of monitoring site visits, timely review of financial and performance reports of subrecipients, inquiries concerning program activities, eligibility, obtaining a DUNS number of the subrecipient, informing the subrecipient of the applicable CFDA number and tracking and maintaining file copies of subrecipients' A-133 reports.

Current Status: This condition has been corrected.

City of Yonkers, New York

Summary Schedule of Prior Audit Findings (Concluded)
Year Ended June 30, 2015

Finding 2014-010: CFDA 17.258/259/278 Workforce Investment Act Cluster and Identification of Fiscal Agent

Condition: A resolution by the City of Yonkers Industrial Development Agency designates the City of Yonkers as the fiscal agent. However, a memorandum of understanding between the local Yonkers Workforce Investment Board (“YWIB”) and the City of Yonkers identifies the Mayor as the fiscal agent for the YWIB. A local WIB is to be appointed by the chief elected official in each area in accordance with the State criteria and certified by the Governor every two years.

Current Status: This condition has been corrected.

City of Yonkers, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants
17.277	Workforce Investment Act (WIA) - National Emergency Grants
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$382,474
Auditee qualified as low-risk auditee? Yes X No

City of Yonkers, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section II - Financial Statement Findings

Finding 2015-001: Matching of Federal Expenditures and Revenues

Criteria: Expenditures of Federal awards and the related revenue should be matched on a monthly basis.

Condition: Revenues were not matched to expenditures incurred on a monthly basis, but rather at year end by the Finance Department.

Cause: Lack of understanding by other departments of the accounting requirements for these funds.

Effect or Potential Effect: Lack of matching of revenues and expenditures in the same fiscal year and lack of proper accounting on the Schedule of Expenditures of Federal Awards so that compliance with federal regulations can be validated.

Recommendation: Institute policies and procedures that ensure that all departments notify the Finance Department of all federally reimbursable expenditures. This will allow Finance Department personnel to record and track the status of unpaid amounts on a monthly basis, rather than just at year end.

Management's Response: See corrective action plan.

Finding 2015-002: HOME Loan Program

Criteria: All loans issued under the HOME Loan Program should be recorded in the City's general ledger, even if it is an installment payment. Monthly repayments of principal and interest should be reconciled to amortization schedules by Community Development Agency personnel and then with the Finance Department to the City's general ledger balances.

Condition: New HOME loans disbursed in installments are not posted in the general ledger. City personnel are not reconciling the repayment of the HOME loans to the amortization schedules.

Cause: There is a lack of understanding of the accounting and financial reporting requirements.

Effect or Potential Effect: Without recording all of the outstanding loan balances in the general ledger and updating the activity, the City has no assurance that all balances are being reported and collected.

Recommendation: Better coordination and understanding of financial reporting requirements is needed between the City's programmatic personnel and the Finance Department to ensure all loans are properly tracked and recorded in the City's general ledger, thus leading to more accurate and timely financial reporting.

Management's Response: See corrective action plan.

City of Yonkers, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section II - Financial Statement Findings (Continued)

Finding 2015-003: Block Grant Fund

Criteria: Receivables reflected in the books and records should be identifiable and collectible.

Condition: A receivable balance of \$1.3 million has remained on the books for several years. In the current year, the City has recorded an allowance of \$480,000 against this amount.

Cause: Account balance set-up several years ago but not matched to see if a receipt should have been applied to the balance.

Effect or Potential Effect: The amount will have to be written-off and covered by the General Fund or balances in the Section 108 Fund, if available.

Recommendation: The City should investigate the history of this balance and recommend to the Administration and City Council that the amount should be written-off and appropriately funded.

Management's Response: See corrective action plan.

Finding 2015-004: Budget Amendments and Transfers

Criteria: General Municipal Law provides that no expenditure be made unless an amount has been appropriated for a particular purpose and is available.

Condition: While the Administration sought certain budget amendments during the current fiscal year, our audit still disclosed several functional expenditure categories that exceeded their budgetary authorizations.

Cause: The Administration did not seek City Council approval for certain of the year end budget transfers, some being the result of adjustments upon audit.

Effect or Potential Effect: The City is in violation of General Municipal Law.

Recommendation: The Administration should seek City Council and New York State Comptroller's Office budgetary transfer authorization for all appropriations before incurring any obligation.

Management's Response: See corrective action plan.

Finding 2015-005: Grant Fund

Criteria: The Grant Fund is tracked on a cash basis in the accounting system while an excel spreadsheet is utilized to record accruals and deferrals. While finance and departmental personnel began to improve the tracking of the status of these accruals and deferrals, there were still many invalid receivable/deferral balances.

Condition: Certain receivables and deferrals remain on the books and are not properly tracked by the responsible department.

Cause: Since the activities are tracked off-line once a year, personnel in the responsible department are not aware these balances exist.

City of Yonkers, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section II - Financial Statement Findings (Continued)

Finding 2015-005: Grant Fund (Continued)

Effect or Potential Effect: Amounts will have to be written-off and the General Fund will have to absorb the charges, often without City Council approval.

Recommendation: We recommend that the Finance Department design procedures for keeping track of the grants by the individual departments to ensure that the departments are accountable for overspending (underspending) of their respective grants. Furthermore, the City's Budget Department should ensure that revenue amounts provided for in the grant budget will be realized and, if not, require departments to reduce expenditures or process the appropriate transfer of funds before liabilities are incurred. We also suggest that the Finance Department consider recording these transactions within the general ledger and require departments to be responsible for recording the appropriate year-end receivable or deferral adjustments and following up with grantor agencies to ensure that all monies due the City are properly recorded and received. For amounts that will not be received and are in excess of the appropriation provided for in the budget, the required City Council and Fiscal Agent approvals for the transfer of funds should be obtained.

Management's Response: See corrective action plan.

Section III - Federal Award Findings and Questioned Costs

Finding 2015-006: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers

Criteria: Circular A-133 states that the auditee must prepare a Schedule of Expenditures of Federal Awards ("SEFA") for the period covered by the auditee's financial statements. At a minimum, the SEFA should include the following:

- List of individual federal programs by federal agency, including cluster programs.
- For federal awards received as a sub-recipient include the name of the pass-through entity.
- Provide the total federal awards expended for each program and the identifying CFDA number.
- Include notes that describe the significant accounting policies used to prepare the schedule.

Condition: At the commencement of our field work, information for inclusion in the SEFA was gathered, but a SEFA was not provided by the City.

Cause: The City personnel need to be better trained so as to understand how to properly complete an accurate SEFA.

Effect or Potential Effect: The auditors' opinion on the SEFA may be significantly impacted when required information is not included in the schedule. There could be the perception that the City may not be in compliance with Circular A-133 requirements to manage its federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements. In addition, the A-133 report may not be filed by the due date which is the earlier of 30 days after the receipt of the auditors' report or nine months after the end of the audit period.

City of Yonkers, New York

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section III - Federal Award Findings and Questioned Costs *(Continued)*

Finding 2015-006: Required Content for the Schedule of Expenditures of Federal Awards and Reporting Correct Catalogue of Federal Domestic Assistance Numbers (Continued)

Recommendation: The City must have effective control activities in place to ensure all Federal programs are properly identified and program expenditures properly reported on the SEFA on a timely basis. The City should train additional personnel in the preparation of the SEFA so that it is not only available to the auditor at the commencement of the audit, but also to be in compliance with Federal requirements.

Management's Response: See corrective action plan