

**City School District of New Rochelle, New York**

Financial Statements and  
Supplementary Information

Year Ended June 30, 2015



# City School District of New Rochelle, New York

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## Independent Auditors' Report

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District'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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

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

O'CONNOR DAVIES, LLP

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### ***Emphasis of Matter***

We draw attention to Note 2,D and Note 3,G in the notes to the financial statements which disclose the effects of the School District's adoption of the provisions of 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 Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2015 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

*O'Connor Davies, LLP*

O'Connor Davies, LLP  
Harrison, New York  
October 21, 2015

# City School District of New Rochelle, New York

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

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## Introduction

Our discussion and analysis of the City School District of New Rochelle, New York's ("School District") financial performance provides an overview of the School District's financial activities for the year ended June 30, 2015. To enhance your understanding of the School District's financial performance, it should be read in conjunction with the basic financial statements that immediately follow this section.

## Financial Highlights

Key financial highlights for fiscal year 2014-2015 are as follows:

- In 2014-15, a budget was prepared for the subsequent year that is structurally balanced, increases the investment in capital projects and raises the funding level of tax certioraris to historical payments. This budget was passed on May 19, 2015 by a landslide 68% of the voters.
- The School District's General Fund reported unassigned fund balance at June 30, 2015 of \$7,524,179, an increase of \$1,534,670 from the amount reported at June 30, 2014. This was primarily the result of eliminating the use of appropriated fund balance as a means of balancing the budget. The 2014-15 budget was constructed with a reliance on the use of \$3,750,000 of fund balance to support the spending plan. Through a spending freeze and other cost saving measures, the School District significantly diminished its use of appropriated fund balance in 2014-2015. The 2015-16 budget was balanced without relying upon any fund balance. These previously "assigned" funds then revert to the unassigned fund balance.
- A portion of the fund balance of the General Fund in the amount of \$2,000,000 has been assigned for Webster Elementary School Capital Repairs necessitated by a ceiling collapse in August 2015.
- New York State law allows a School District to maintain up to 4% of the ensuing year's budget, exclusive of the amount assigned for the subsequent year's budget (if any), as unassigned fund balance. For this School District, that amount would be approximately \$10 million. At June 30, 2015, the School District has 3.81% (inclusive of the \$2 million assigned for Webster Elementary School Capital Repairs) of its subsequent year's budget reflected in unassigned fund balance. Exclusive of the assignment of the \$2 million assigned fund balance for Webster, the School District's unassigned fund balance is 3.01%.
- The School District, on behalf of the public library, issued \$815,000 in bond anticipation notes for the Public Library Improvements project. As part of its long range plan to fund tax certioraris, the district issued \$5,000,000 in tax certiorari bonds to close out estimated claims through June 30, 2016. The new 2015-2016 budget includes an appropriation of \$3.8 million for tax certiorari claims. This amount better reflects actual annual historical payments. Going forward, tax certioraris will be paid from budgetary appropriations. The School District entered into an \$8,968,500 energy performance contract ("EPC"). This EPC was financed by a 15 year capital lease and financed various school building mechanical systems such as heating, roofing and lighting. As required by law, the EPC will be fully paid for by energy savings, maintenance savings and state building aid. In fact, it is anticipated that the EPC will save the School District a net \$5.3 million over the 15 year life of the lease. The School District retired \$6,944,526 of outstanding bonded indebtedness and \$374,327 of outstanding energy performance contract indebtedness during the fiscal year.

- At the close of the current fiscal year, the School District's governmental funds financial statement shows a combined ending fund balance of \$22,592,145, an increase of \$8,555,460 from the prior year. The net increase results primarily from the issuance of the \$5 million serial bond for tax certiorari obligations and the \$8.9 million energy performance contract.
- For the year ended June 30, 2015 the School District implemented the provisions of the Governmental Accounting Standards Board ("GASB") Statement No. 68, "Accounting and Financial Reporting for Pensions". The GASB is charged with developing the accounting rules that apply to governments, including school districts and BOCES. This pronouncement established new accounting and financial reporting requirements associated with the School District's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State Teachers' Retirement System ("TRS"). Under the new standards, cost-sharing employers are required to report in their district-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 School District reported in its Statement of Net Position a liability of \$2,691,699 for its proportionate share of the ERS net pension liability, while also reporting a pension asset of \$78,931,150 for its proportionate share of the TRS net pension asset. More detailed information about the School District's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in note 3, G in the notes to financial statements.
- The School District's total net position, as reflected in the district-wide financial statements, increased by \$36,783,992 (including an adjustment to the opening net position of \$19,459,050 due to the implementation of the provisions contained in GASB Statement No. 68). While the increase of \$7,156,413 in the liability recorded for other post-employment benefit obligations recorded in accordance with GASB Statement No. 45 reduced net position, this amount was more than offset by pension adjustments (pension assets, net pension liabilities and deferred inflows/outflows of resources) in the net positive amount of \$23,920,172 (exclusive of the cumulative effect of the change in accounting principle noted above) recorded in accordance with GASB Statement No. 68.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements, which are comprised of three components: (1) district-wide financial statements, (2) fund financial statements and (3) notes to financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statements.

#### *District-Wide Financial Statements*

- The *district-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business.
  - The *statement of net position* presents information on all of the School District's assets, liabilities, and deferred inflows/outflows of resources, with the difference between these amounts reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.
  - The *statement of activities* presents information showing how the School District'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.

- The *governmental* activities of the School District include instruction, pupil transportation, culture and recreation, community services, cost of food sales, interest and general administrative support.

The district-wide financial statements can be found on the pages immediately following this section, as the first two 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. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.
- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the district-wide financial statements. However, unlike the district-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 the School District's near-term financing requirements.
- Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the School District'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 School District maintains seven individual governmental funds; General Fund, Special Aid Fund, School Lunch Fund, Public Library Fund, Special Purpose Fund, Debt Service Fund and Capital Projects Fund. 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, Special Aid and the Capital Projects funds, which are considered to be major funds. Data for the other four 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 School District adopts an annual budget for its General, Special Aid and Public Library funds. A budgetary comparison statement has been provided for the General and Special Aid (major funds) within the basic financial statements to demonstrate compliance with the respective budget.
- The School District maintains a *proprietary* fund, which is an *internal service fund*, to account for its self-insured workers' compensation program. *Internal service funds* are used to accumulate and allocate costs internally among the School District's various functions. These benefits have been included within governmental activities in the district-wide financial statements.
- The *Fiduciary Funds* are used to account for assets held by the School District in an agency capacity on behalf of others. Fiduciary funds are not reflected in the district-wide financial statements because the resources of these funds are *not* available to support the School District's programs.

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 district-wide and fund financial statements. The notes to financial statements can be found following the basic financial statements section of this report.

**District-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position. In the case of the City School District of New Rochelle, New York at the close of the current fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$60,131,187.

**Net Position**

	June 30,	
	2015	2014
Current Assets	\$ 166,593,290	\$ 71,943,300
Capital Assets, net	105,880,443	105,682,827
Total Assets	<u>272,473,733</u>	<u>177,626,127</u>
Deferred Outflows of Resources	<u>23,427,379</u>	<u>2,484,089</u>
Current Liabilities	58,718,349	50,503,054
Long-term Liabilities	122,833,674	106,259,967
Total Liabilities	<u>181,552,023</u>	<u>156,763,021</u>
Deferred Inflows of Resources	<u>54,217,902</u>	<u>-</u>
<b>Net Position</b>		
Net Investment in Capital Assets	51,033,591	49,812,866
Restricted for		
Capital Projects	329,841	659,763
Tax Certiorari	5,000,000	91,598
Unemployment Benefits	166,282	166,282
Debt Service	765,085	762,373
Workers' Compensation Benefits	540,628	1,851,899
School Lunch	467,580	429,839
Public Library Purposes	67,610	111,265
Special Purposes	509,181	464,635
Unrestricted	<u>1,251,389</u>	<u>(31,003,325)</u>
Total Net Position	<u>\$ 60,131,187</u>	<u>\$ 23,347,195</u>

Note: 2013 restated for the effects of the implementation of GASB Statement No. 65

By far, the largest component of the School District's net position (\$51,033,591) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to students and consequently, these assets are not

available for future spending. Although the School District'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 listed above constitute \$7,846,207 of net position and are comprised of amounts set aside for specific purposes, i.e., payments of tax certioraris, debt service, workers' compensation, etc. The remaining balance represents an unrestricted net position of \$1,251,389. Overall, the unrestricted net position increased by \$32,254,714 from the prior year, primarily from the recording of the School District's proportionate share of the net pension asset of TRS.

### Change in Net Position

	June 30,	
	2015	2014
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 4,631,218	\$ 6,293,301
Operating Grants and Contributions	14,670,698	13,901,174
Capital Grants and Contributions	4,599	927,787
Total Program Revenues	<u>19,306,515</u>	<u>21,122,262</u>
General Revenues		
Real Property Taxes	177,948,595	173,720,193
Other Tax Items	23,808,475	25,121,954
Non-Property Taxes	3,335,025	3,506,953
Unrestricted Use of Money and Property	565,975	39,271
Sale of Property and Compensation for Loss	56,399	252,157
Unrestricted State Aid	32,705,955	29,894,271
Miscellaneous	1,679,063	2,036,618
Total General Revenues	<u>240,099,487</u>	<u>234,571,417</u>
Total Revenues	<u>259,406,002</u>	<u>255,693,679</u>
<b>PROGRAM EXPENSES</b>		
General Support	35,179,830	34,581,307
Instruction	184,449,802	207,220,797
Pupil Transportation	12,441,625	12,284,847
Culture and Recreation	4,831,249	4,829,994
Cost of Food Sales	2,999,026	2,819,730
Interest	2,179,528	2,398,512
Total Expenses	<u>242,081,060</u>	<u>264,135,187</u>
Change in Net Position	<u>17,324,942</u>	<u>(8,441,508)</u>
<b>NET POSITION</b>		
Beginning, as reported	23,347,195	31,788,703
Cumulative Effect of Change in Accounting Principle	19,459,050	-
Beginning, as restated	<u>42,806,245</u>	<u>31,788,703</u>
Ending	<u>\$ 60,131,187</u>	<u>\$ 23,347,195</u>

*The major changes were as follows:*

Revenues:

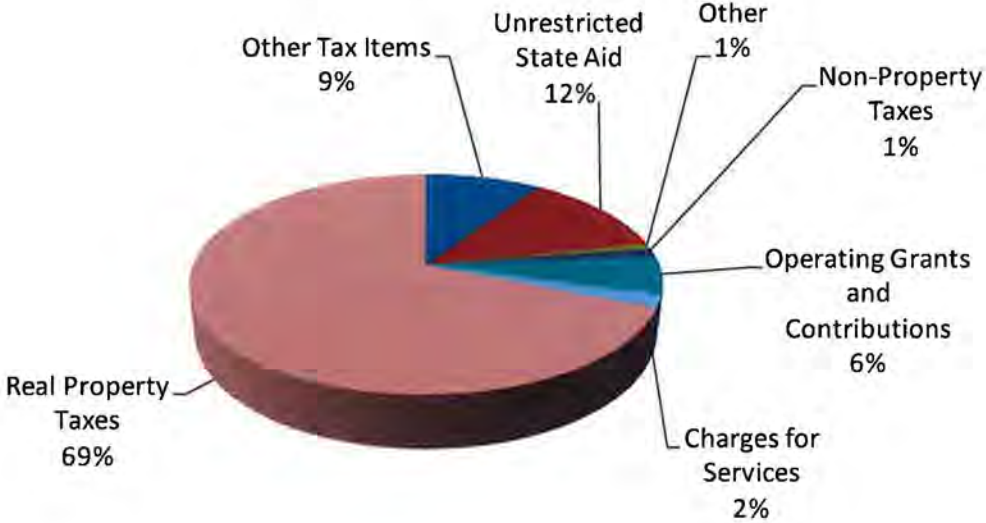
- Charges for services decreased by \$1,662,083. This was the result of an increase in the allowance for uncollectible amounts, given the age of certain balances receivable from sending school districts for health and other services.
- Capital grants and contributions decreased by \$923,188. In the prior year, the School District received an insurance settlement for the High School Emergency Repair project.
- Real property taxes increased by \$4,228,402, or 2.43%. This was the result of a higher tax levy in the voter approved budget and was used to support increased expenditures for instruction and employee benefits and new capital projects, offset by the use of fund balance. The School District relies upon real property taxes as its primary revenue source.
- Unrestricted use of money and property increased by \$526,704. This was the result of the premium received on the bond sale.
- Unrestricted State aid increased by \$2,811,684 from the prior year, primarily due to the increase in the allocation of the foundation formula aid from the State and a reduction in the Gap Elimination Adjustment.

Expenses:

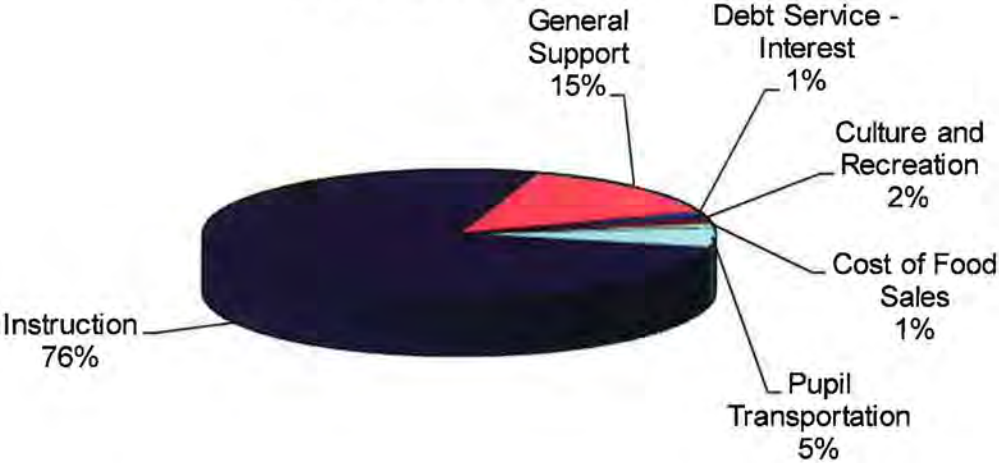
- Instruction expenses at \$184,449,802 decreased from \$207,220,797 in 2013-14. The decrease is primarily due to the implementation of the provisions of GASB Statement No. 68 and, in particular, the effect of recording the net pension asset associated with the School District's proportionate share of the net pension asset of TRS.

Below are graphs that depict where the School District revenues were derived and how monies were spent. As you can see, the School District relies upon real property taxes (69%) as its primary revenue source, while the School District's largest expense, instruction costs, account for 76% of total expenses.

**Sources of Revenue for Fiscal Year 2015  
Governmental Activities**



**Expenses for Fiscal Year 2015  
Governmental Activities**



## Financial Analysis of the School District's Funds

As noted earlier, the School District 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 Statement No. 54 became effective for financial statements for periods 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 are inherently nonspendable in the current period either 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.

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. According to GASB, this pronouncement should result in an improvement in the usefulness of fund balance information.

### *Governmental Funds*

The focus of the School District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the School District'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 School District's governmental funds reported combined fund balances of \$22,592,145, an increase of \$8,555,460 from the prior year. Exclusive of the Capital Projects Fund, total fund balance aggregates \$17,840,088. Of this amount, \$136,892 is in nonspendable form (\$127,488 for prepaid expenditures and \$9,404 for inventories) while \$6,178,173 is restricted for various purposes (\$5,000,000 for tax certiorari obligations, \$502,710 for debt service purposes, \$166,282 for unemployment benefit purposes and \$509,181 for special purposes). Another \$4,000,844 of the total fund balance is assigned to fund purchases on order (\$374,232), to be used for the subsequent year's budget (\$275,000 from the Public Library Fund and \$262,375 from the Debt Service Fund), to be set aside for School Lunch Fund purposes (\$458,176) and Public Library Fund purposes (\$631,061) and to

be set aside for Webster Elementary School Capital Repairs (\$2,000,000). The remainder of the total fund balance of \$7,524,179 represents unassigned fund balance in the General Fund, which is available for use at the School District's discretion.

The General Fund is the primary operating fund of the School District. At the end of the current fiscal year, the total fund balance of the General Fund was \$15,064,693. This represents an increase of \$4,986,480 from the prior year, most of it derived from the issuance of \$5,000,000 in serial bonds to fund tax certiorari claims. The amount of the unassigned fund balance is within the State's maximum limit of 4% of the ensuing year's budget.

More detailed information about the School District's governmental fund balances is presented in note 3, J in the notes to financial statements.

### **General Fund Budgetary Highlights – 2014-2015**

The original, voter approved adopted budget of \$245,457,331 was increased by \$80,824 as a result of the rollover of prior year encumbrances for a total original budget of \$245,538,155. The budget was further revised during the 2014-15 fiscal year by a total of \$91,598 from the appropriation of fund balance from the tax certiorari restriction to fund claims. As a result, the final budget totaled \$245,629,753.

Revenues and other financing sources exceeded the budgetary estimate by \$4,246,713. Real property taxes were \$810,115 greater than anticipated due to better collections of prior year taxes. Payments in lieu of taxes were greater than anticipated by \$454,163. The School District also issued \$5,000,000 in serial bonds for tax certiorari obligations that was not anticipated in the budget. These surpluses were partially offset by shortfalls in various categories. Charges for services came in less than expected by \$482,007, due to the increase in the allowance for uncollectible receivables due to the age of certain outstanding billings. State aid resulted in a shortfall of \$691,808 while the School District elected not to make the budgeted transfer from the Debt Service Fund in the amount of \$500,000.

Expenditures and other financing uses reflect a positive variance of \$4,287,957, or 1.75%, of the final budget. The final budget anticipated utilizing \$3,922,422 of fund balance. Actual results of operations did not utilize any of these funds but actually added \$4,986,480. Consequently, the total budget surplus was \$8,534,670 (inclusive of the \$5,000,000 serial bond for tax certiorari claims).

### **Capital Assets**

As of June 30, 2015, the School District had \$105,880,443 net of accumulated depreciation invested in a broad range of capital assets, including land, buildings and improvements, as well as machinery and equipment. The change in capital assets, net of accumulated depreciation, is reflected below.

Class	June 30,	
	2015	2014
Land	\$ 176,500	\$ 176,500
Buildings and Improvements	105,551,767	105,388,072
Machinery and Equipment	152,176	118,255
Total Capital Assets, net of accumulated depreciation	\$ 105,880,443	\$ 105,682,827

The increase in capital assets during the current fiscal year results from capital outlay exceeding depreciation expense in the current year.

More detailed information about the School District's capital assets is presented in note 3,C in the notes to financial statements.

### Long-Term Debt

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

	June 30,	
	2015	2014
Bonds Payable	\$ 55,963,811	\$ 58,387,152
Energy Performance Contract		
Debt Payable	14,030,310	5,436,137
Claims Payable	2,712,150	1,991,695
Compensated Absences	4,680,056	4,845,748
Net Pension Liability	2,691,699	-
Other Post Employment		
Benefit Obligations Payable	42,755,648	35,599,235
Total	\$ 122,833,674	\$ 106,259,967

The claims payable amount includes workers' compensation claims that will become payable over the next few years. The School District issued \$5,000,000 in serial bonds to finance tax certiorari obligations while retiring \$6,944,526 in outstanding long-term bonded indebtedness. The School District entered into an \$8,968,500 energy performance contract and retired \$374,327 of the prior energy performance contract obligation during the year. The School District recorded its net pension liability to ERS as required by the provisions of GASB Statement No. 68. Other postemployment benefit obligations will continue to grow as the School District is permitted at this time by New York State only to fund its pay-as-you-go obligations.

More detailed information about the School District's long-term liabilities is presented in note 3,G in the notes to financial statements.

### Requests for Information

This financial report is designed to provide a general overview of the finances of the City School District of New Rochelle for all those with an interest in the School District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City School District of New Rochelle  
 Mr. Jeffrey T. White, CPA  
 Assistant Superintendent for Business and Administration  
 City Hall, 515 North Avenue  
 New Rochelle, New York 10801



**City School District of New Rochelle, New York**

Statement of Net Position  
June 30, 2015

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 41,530,629
Restricted investments	4,484,480
Receivables	
Taxes	5,156,772
Accounts	18,717,086
State and Federal aid	10,726,104
Due from other governments, net	6,910,177
Inventories	9,404
Net pension asset	78,931,150
Prepaid expenses	127,488
Capital assets	
Not being depreciated	176,500
Being depreciated, net	<u>105,703,943</u>
Total Assets	<u>272,473,733</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>23,427,379</u>
<b>LIABILITIES</b>	
Accounts payable	18,230,125
Accrued liabilities	16,949,360
Retainage payable	25,970
Bond anticipation notes payable	815,000
Due to other governments	1,357,280
Due to retirement systems	20,798,548
Unearned revenues	238,464
Accrued interest payable	303,602
Non-current liabilities	
Due within one year	9,452,854
Due in more than one year	<u>113,380,820</u>
Total Liabilities	<u>181,552,023</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>54,217,902</u>
<b>NET POSITION</b>	
Net investment in capital assets	51,033,591
Restricted	
Capital projects	329,841
Tax certiorari	5,000,000
Unemployment benefits	166,282
Debt service	765,085
Workers' compensation benefits	540,628
School lunch	467,580
Public library purposes	67,610
Special purposes	509,181
Unrestricted	<u>1,251,389</u>
Total Net Position	<u>\$ 60,131,187</u>

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

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**City School District of New Rochelle, New York**

Statement of Activities  
Year Ended June 30, 2015

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General support	\$ 35,179,830	\$ 169,438	\$ -	\$ -
Instruction	184,449,802	3,694,961	11,989,711	-
Pupil transportation	12,441,625	-	-	-
Culture and recreation	4,831,249	70,771	346,967	-
Cost of food sales	2,999,026	696,048	2,334,020	-
Interest	2,179,528	-	-	4,599
<b>Total Governmental   Activities</b>	<b>\$ 242,081,060</b>	<b>\$ 4,631,218</b>	<b>\$ 14,670,698</b>	<b>\$ 4,599</b>
General revenues				
Real property taxes				177,948,595
Other tax items				
School tax relief reimbursement				20,929,759
Payments in lieu of taxes				2,475,315
Interest and penalties on real property taxes				403,401
Non-property taxes				
Utility gross receipts tax				3,335,025
Unrestricted use of money and property				565,975
Sale of property and compensation for loss				56,399
Unrestricted State aid				32,705,955
Miscellaneous				1,679,063
<b>Total General Revenues</b>				<b>240,099,487</b>
Change in Net Position				17,324,942
Net Position - Beginning, as reported				23,347,195
Cumulative Effect of Change in Accounting Principle				19,459,050
Net Position - Beginning, as restated				42,806,245
Net Position - Ending				<b>\$ 60,131,187</b>

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

**City School District of New Rochelle, New York**

Balance Sheet  
 Governmental Funds  
 June 30, 2015

	General	Special Aid	Capital Projects
<b>ASSETS</b>			
Cash and equivalents	\$ 36,993,558	\$ 50,197	\$ 1,452,300
Restricted investments	-	-	4,484,480
Receivables			
Taxes	5,156,772	-	-
Accounts	18,623,901	-	-
State and Federal aid	4,280,214	6,268,978	-
Due from other governments, net	6,910,177	-	-
Due from other funds	678,832	5,571,623	175,947
Inventories	-	-	-
Prepaid expenditures	-	-	-
<b>Total Assets</b>	<b><u>\$ 72,643,454</u></b>	<b><u>\$ 11,890,798</u></b>	<b><u>\$ 6,112,727</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 6,725,967	\$ 11,402,594	\$ 84,597
Accrued liabilities	16,496,072	380,432	-
Retainages payable	-	-	25,970
Bond anticipation notes	-	-	815,000
Due to other funds	8,900,869	-	435,103
Due to other governments	1,357,280	-	-
Due to retirement systems	20,696,103	-	-
Unearned revenues	-	107,772	-
<b>Total Liabilities</b>	<b>54,176,291</b>	<b>11,890,798</b>	<b>1,360,670</b>
Deferred inflows of resources			
Deferred tax revenues	3,402,470	-	-
<b>Total Liabilities and     Deferred Inflows of Resources</b>	<b><u>57,578,761</u></b>	<b><u>11,890,798</u></b>	<b><u>1,360,670</u></b>
Fund balances			
Nonspendable	-	-	-
Restricted	5,166,282	-	4,752,057
Assigned	2,374,232	-	-
Unassigned	7,524,179	-	-
<b>Total Fund Balances</b>	<b><u>15,064,693</u></b>	<b><u>-</u></b>	<b><u>4,752,057</u></b>
<b>Total Liabilities, Deferred Inflows     of Resources and Fund Balances</b>	<b><u>\$ 72,643,454</u></b>	<b><u>\$ 11,890,798</u></b>	<b><u>\$ 6,112,727</u></b>

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

<u>Non-Major Governmental</u>	<u>Total Governmental Funds</u>
\$ 2,569,203	\$ 41,065,258
-	4,484,480
-	5,156,772
93,185	18,717,086
176,912	10,726,104
-	6,910,177
368,552	6,794,954
9,404	9,404
127,488	127,488
<u>\$ 3,344,744</u>	<u>\$ 93,991,723</u>

\$ 16,967	\$ 18,230,125
72,856	16,949,360
-	25,970
-	815,000
246,389	9,582,361
-	1,357,280
102,445	20,798,548
130,692	238,464
<u>569,349</u>	<u>67,997,108</u>
-	<u>3,402,470</u>

<u>569,349</u>	<u>71,399,578</u>
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136,892	136,892
1,011,891	10,930,230
1,626,612	4,000,844
-	7,524,179
<u>2,775,395</u>	<u>22,592,145</u>

<u>\$ 3,344,744</u>	<u>\$ 93,991,723</u>
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**City School District of New Rochelle, New York**

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

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Fund Balances - Total Governmental Funds	<u>\$ 22,592,145</u>
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.	<u>105,880,443</u>
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	2,069,706
Deferred amounts on net pension assets (liabilities)	<u>(32,860,229)</u>
	<u>(30,790,523)</u>
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	
Pension assets	<u>78,931,150</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	<u>3,402,470</u>
Internal service funds are used by management to charge the costs of workers' compensation benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>540,628</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(303,602)
Bonds payable	(55,963,811)
Energy performance contract payable	(14,030,310)
Compensated absences	(4,680,056)
Net pension liability	(2,691,699)
Other post employment benefit obligations payable	<u>(42,755,648)</u>
	<u>(120,425,126)</u>
Net Position of Governmental Activities	<u>\$ 60,131,187</u>

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

**City School District of New Rochelle, New York**

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

	General	Special Aid	Capital Projects
<b>REVENUES</b>			
Real property taxes	\$ 174,252,322	\$ -	\$ -
Other tax items	23,749,886	-	-
Non-property taxes	3,335,025	-	-
Charges for services	2,584,961	-	-
Use of money and property	735,209	-	-
Sale of property and compensation for loss	56,399	-	-
State aid	34,279,826	3,044,849	-
Federal aid	50,775	6,204,003	-
Food sales	-	-	-
Miscellaneous	1,909,641	839,241	-
<b>Total Revenues</b>	<b>240,954,044</b>	<b>10,088,093</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current			
General support	29,160,545	-	-
Instruction	131,638,703	10,914,014	-
Pupil transportation	12,317,385	-	-
Culture and recreation	-	-	-
Employee benefits	56,716,203	-	-
Cost of food sales	-	-	-
Debt service			
Principal	7,249,327	-	-
Interest	2,189,053	-	-
Capital outlay	-	-	6,490,872
<b>Total Expenditures</b>	<b>239,271,216</b>	<b>10,914,014</b>	<b>6,490,872</b>
Excess (Deficiency) of Revenues Over Expenditures	1,682,828	(825,921)	(6,490,872)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	5,000,000	-	-
Energy performance contract issued	-	-	8,968,500
Transfers in	-	825,921	870,427
Transfers out	(1,696,348)	-	-
<b>Total Other Financing Sources</b>	<b>3,303,652</b>	<b>825,921</b>	<b>9,838,927</b>
<b>Net Change in Fund Balances</b>	<b>4,986,480</b>	<b>-</b>	<b>3,348,055</b>
<b>FUND BALANCES</b>			
Beginning of Year	10,078,213	-	1,404,002
End of Year	<u>\$ 15,064,693</u>	<u>\$ -</u>	<u>\$ 4,752,057</u>

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



Non-Major Governmental	Total Governmental Funds
\$ 4,603,414	\$ 178,855,736
58,589	23,808,475
-	3,335,025
70,771	2,655,732
15,567	750,776
-	56,399
97,497	37,422,172
2,283,654	8,538,432
696,048	696,048
335,262	3,084,144
<u>8,160,802</u>	<u>259,202,939</u>
-	29,160,545
15,125	142,567,842
-	12,317,385
4,781,495	4,781,495
-	56,716,203
2,992,327	2,992,327
69,526	7,318,853
81,404	2,270,457
-	6,490,872
<u>7,939,877</u>	<u>264,615,979</u>
<u>220,925</u>	<u>(5,413,040)</u>
-	5,000,000
-	8,968,500
-	1,696,348
-	(1,696,348)
-	<u>13,968,500</u>
220,925	8,555,460
<u>2,554,470</u>	<u>14,036,685</u>
<u>\$ 2,775,395</u>	<u>\$ 22,592,145</u>

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**City School District of New Rochelle, 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	<u>\$ 8,555,460</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.</p>	
Capital outlay expenditures	6,578,786
Depreciation expense	<u>(6,381,170)</u>
	<u>197,616</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>(907,141)</u>
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized on the statement of activities.</p>	
Bonds issued	(5,000,000)
Energy performance contract debt issued	(8,968,500)
Principal paid on bonds	6,944,526
Principal paid on energy performance contract debt	374,327
Amortization of loss on refunding bonds and issuance premium	<u>64,432</u>
	<u>(6,585,215)</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	26,497
Claims payable	419,545
Compensated absences	165,692
Pension assets (liability)	23,920,172
Other post employment benefit obligations	<u>(7,156,413)</u>
	<u>17,375,493</u>
<p>The net revenue of activities of the Internal Service Fund is reported within the governmental activities</p>	
	<u>(1,311,271)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 17,324,942</u></u>

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

**City School District of New Rochelle, New York**

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

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 173,442,207	\$ 173,442,207	\$ 174,252,322	\$ 810,115
Other tax items	23,710,165	23,710,165	23,749,886	39,721
Non-property taxes	3,418,276	3,418,276	3,335,025	(83,251)
Charges for services	3,066,968	3,066,968	2,584,961	(482,007)
Use of money and property	255,060	255,060	735,209	480,149
Sale of property and compensation for loss	50,000	50,000	56,399	6,399
State aid	34,971,634	34,971,634	34,279,826	(691,808)
Federal aid	260,464	260,464	50,775	(209,689)
Miscellaneous	2,032,557	2,032,557	1,909,641	(122,916)
<b>Total Revenues</b>	<b>241,207,331</b>	<b>241,207,331</b>	<b>240,954,044</b>	<b>(253,287)</b>
<b>EXPENDITURES</b>				
Current				
General support	25,254,923	30,405,406	29,160,545	1,244,861
Instruction	137,310,977	133,129,626	131,638,703	1,490,923
Pupil transportation	12,650,786	12,472,348	12,317,385	154,963
Community services	2,469	1,234	-	1,234
Employee benefits	58,922,000	58,230,357	56,716,203	1,514,154
Debt service				
Principal	7,249,328	7,249,328	7,249,327	1
Interest	2,257,943	2,257,943	2,189,053	68,890
<b>Total Expenditures</b>	<b>243,648,426</b>	<b>243,746,242</b>	<b>239,271,216</b>	<b>4,475,026</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,441,095)	(2,538,911)	1,682,828	4,221,739
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	5,000,000	5,000,000
Transfers in	500,000	500,000	-	(500,000)
Transfers out	(1,889,729)	(1,883,511)	(1,696,348)	187,163
<b>Total Other Financing Sources (Uses)</b>	<b>(1,389,729)</b>	<b>(1,383,511)</b>	<b>3,303,652</b>	<b>4,687,163</b>
<b>Net Change in Fund Balances</b>	<b>(3,830,824)</b>	<b>(3,922,422)</b>	<b>4,986,480</b>	<b>8,908,902</b>
<b>FUND BALANCES</b>				
Beginning of Year	3,830,824	3,922,422	10,078,213	6,155,791
End of Year	\$ -	\$ -	\$ 15,064,693	\$ 15,064,693

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

Special Aid Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
2,851,439	3,077,002	3,044,849	(32,153)
6,847,170	6,805,530	6,204,003	(601,527)
1,056,418	1,081,193	839,241	(241,952)
<u>10,755,027</u>	<u>10,963,725</u>	<u>10,088,093</u>	<u>(875,632)</u>
-	-	-	-
12,369,756	11,975,870	10,914,014	1,061,856
-	-	-	-
-	-	-	-
-	-	-	-
<u>12,369,756</u>	<u>11,975,870</u>	<u>10,914,014</u>	<u>1,061,856</u>
<u>(1,614,729)</u>	<u>(1,012,145)</u>	<u>(825,921)</u>	<u>186,224</u>
-	-	-	-
1,614,729	1,012,145	825,921	(186,224)
-	-	-	-
<u>1,614,729</u>	<u>1,012,145</u>	<u>825,921</u>	<u>(186,224)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City School District of New Rochelle, New York**

Internal Service Fund - Workers' Compensation Benefits  
Statement of Net Position  
June 30, 2015

---

**ASSETS**

Cash and equivalents	\$ 465,371
Due from other funds	<u>2,787,407</u>
Total Assets	<u>3,252,778</u>

**LIABILITIES**

Current liabilities	
Claims payable	1,549,811
Non-current liabilities	
Claims payable	<u>1,162,339</u>
Total Liabilities	<u>2,712,150</u>

**NET POSITION**

Unrestricted	<u>\$ 540,628</u>
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The notes to financial statements are an integral part of this statement.

**City School District of New Rochelle, New York**

Internal Service Fund - Workers' Compensation Benefits  
Statement of Revenues, Expenses and  
Changes in Net Position  
Year Ended June 30, 2015

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**OPERATING REVENUES**

Charges for services \$ 1,110,000

**OPERATING EXPENSES**

Employee benefits 2,421,475

Loss from Operations (1,311,475)

**NON-OPERATING REVENUES**

Interest income 204

Change in Net Position (1,311,271)

**NET POSITION**

Beginning of Year 1,851,899

End of Year \$ 540,628

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

**City School District of New Rochelle, New York**

Internal Service Fund - Workers' Compensation Benefits  
Statement of Cash Flows  
Year Ended June 30, 2015

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from charges to other funds	\$ 1,141,033
Cash payments to insurance carriers and claimants	<u>(1,281,475)</u>
Net Cash from Operating Activities	(140,442)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	<u>204</u>
Net Change in Cash and Equivalents	(140,238)

**CASH AND EQUIVALENTS**

Beginning of Year	<u>605,609</u>
End of Year	<u>\$ 465,371</u>

**RECONCILIATION OF LOSS FROM OPERATIONS TO NET  
CASH FROM OPERATING ACTIVITIES**

Loss from operations	\$ (1,311,475)
Adjustments to reconcile loss from operations to net cash from operating activities	
Changes in assets and liabilities	
Due from other funds	31,033
Claims payable	<u>1,140,000</u>
Net Cash from Operating Activities	<u>\$ (140,442)</u>

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



**City School District of New Rochelle, New York**

Statement of Assets and Liabilities  
Fiduciary Fund  
June 30, 2015

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 8,998,015
Accounts receivable	<u>10,938,134</u>
Total Assets	<u>\$ 19,936,149</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 18,802,280
Escrow deposits	135,928
Employee payroll deductions	612,670
Student activity funds	<u>385,271</u>
Total Liabilities	<u>\$ 19,936,149</u>

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

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## City School District of New Rochelle, New York

Notes to Financial Statements  
June 30, 2015

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### **Note 1 - Summary of Significant Accounting Policies**

The City School District of New Rochelle, New York ("School District"), as presently constituted, operates in accordance with the provisions of the Education Law of the State of New York. The Board of Education is the legislative body responsible for overall operation of the School District and is elected by the voters of the School District. The Superintendent serves as the chief executive officer. The School District's primary function is to provide education for its pupils. Services such as transportation of pupils, administration, finance and plant maintenance support the primary function.

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

#### **A. Financial Reporting Entity**

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

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

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

#### **B. District-Wide Financial Statements**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal revenue of the Internal Service Fund is charges for services. Operating expenses for the Internal Service Fund are for workers' compensation costs. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

**C. Fund Financial Statements**

The accounts of the School District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The School District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The School District maintains internal service and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the district-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the district-wide presentation. The School District's resources are reflected in the fund financial statements in three broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

General Fund - The General Fund constitutes the primary fund of the School District 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 fund of the School District is the Special Aid Fund. The Special Aid Fund is used to account for special projects or programs supported in whole or in part with Federal, State or local funds. The major revenues of this fund are Federal and State aid.

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

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

Special Revenue Funds:

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

Public Library Fund - The Public Library Fund is used to account for the operations of the New Rochelle Public Library and is primarily funded by the levy of real property taxes.

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

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

- b. Proprietary Funds - The proprietary fund consists of an internal service fund. Internal service funds account for operations that provide services to other departments or other governments on a cost reimbursement basis. The School District has elected to account for its self-insured workers' compensation program as an internal service fund.
- c. Fiduciary Funds (Not Included in District-Wide Financial Statements) - Fiduciary Funds are used to account for assets held by the School District in an agency capacity on behalf of others. Among the activities included in the Agency Fund are the student activity funds. The Agency Fund is primarily utilized to account for payroll tax withholdings and other deposits that are payable to other jurisdictions or individuals.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the Internal Service Fund. 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 the fiscal 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, certain claims, net pension liabilities and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

U.S. Agencies and obligations of New York State or its political subdivisions, and accordingly, the School District's policy provides for no credit risk on 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 School District has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

The School District 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 School District'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 School District's name. The School District's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at June 30, 2015.

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

**Restricted Investments** - Restricted investments in the Capital Projects Fund consist of energy performance contract debt proceeds held by an escrow agent. The proceeds are to be used for the School District's energy performance contract capital project. The funds are not subject to risk categorization.

**Taxes Receivable** - Real property taxes attach as an enforceable lien on real property as of July 1st. The taxes are levied and payable in October and April. The City of New Rochelle, New York ("City") is responsible for the billing and collection of the taxes. The City guarantees the full payment of the School District warrant and assumes responsibility for the uncollected taxes. On or after May 20th, the School District submits a statement of unpaid taxes to the City. The City remits, as collected, the unpaid taxes and within two years of the receipt of the statement, any balance due.

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

**Due From/To Other Funds** - During the course of its operations, the School District has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**Capital Assets** - Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$10,000 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.

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 is not depreciated. Property, plant and equipment of the School District are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and Improvements	30
Machinery and Equipment	5

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 sheet.

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

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The School District has reported unearned revenues of \$25,145 for student meal monies received in advance in the School



**Note 1 - Summary of Significant Accounting Policies (Continued)**

Lunch Fund and \$107,772 and \$105,547 for Federal, State and local aid received in advance within the Special Aid and Public Library funds, respectively. 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 School District reported deferred outflows of resources of \$2,069,706 for a deferred loss on refunding bonds in the district-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The School District reported deferred inflows of resources of \$3,402,470 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

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

**Long-term Liabilities** - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

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

**Net Pension Liability (Asset)** - The net pension liability (asset) represents the School District's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System and the New York State Teachers' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68,

**Note 1 - Summary of Significant Accounting Policies (Continued)**

*"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 their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, tax certiorari, unemployment benefits, debt service, workers' compensation benefits, school lunch, public library purposes and special 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 School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

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

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law or the Education Law of the State of New York.

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Board of Education for amounts assigned for balancing the subsequent year's budget or delegated to the Assistant Superintendent for Business for amounts assigned for encumbrances and emergency capital projects. 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 funds except the General Fund includes all remaining amounts, except for negative

**Note 1 - Summary of Significant Accounting Policies (Continued)**

balances, that are not classified as nonspendable and are neither restricted nor committed.

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

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

**F. Encumbrances**

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

**G. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is October 21, 2015.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

- a) At least seven days prior to the budget hearing, a copy of the budget is made available to the voters.

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

- b) At the budget hearing, the voters may raise questions concerning the items contained in the budget.
- c) The Board of Education establishes a date for the annual meeting, which by law will be held on the third Tuesday in May.
- d) The voters are permitted to vote upon the General Fund budget at the annual meeting.
- e) If the original proposed budget is not approved by the voters, the Board of Education has the option of either resubmitting the original or revising the budget for voter approval at a special meeting held at a later date; or the Board of Education may, at that point, adopt a contingency budget. If the Board of Education decides to submit either the original or a revised budget to the voters for a second time, and the voters do not approve the second budget submittal, the Board of Education must adopt a contingency budget and the tax levy cannot exceed the total tax levy of the prior year (0% levy growth). In addition, the administrative component of the contingency budget shall not comprise a greater percentage of the contingency budget exclusive of the capital component than the lesser of either 1) the percentage the administrative component had comprised in the prior year budget exclusive of the capital component; or 2) the percentage the administrative component had comprised in the last proposed defeated budget exclusive of the capital component.
- f) Formal budgetary integration is employed during the year as a management control device for General, Special Aid and Public Library funds.
- g) Budgets for General, Special Aid and Public Library funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Board of Education does not adopt an annual budget for the School Lunch, Special Purpose, Debt Service or Internal Service funds.
- h) The Board of Education has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board of Education. Any modification to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in General, Special Aid and Public Library funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

**Note 2 - Stewardship, Compliance and Accountability (Continued)**

**B. Limitation on Fund Balance**

The School District is limited to the amount of committed, assigned and unassigned fund balance, with certain exceptions, that can be retained. New York State law limits this amount of fund balance to 4% of the ensuing year's budget.

**C. Property Tax Limitation**

The School District is not limited to the amount of real property taxes that may be levied. However, 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, including school districts.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a School District 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.

Pursuant to the Tax Levy Limitation Law, the tax levy of a school district cannot increase by more than the lesser of two percent or the annual increase in the consumer price index. Certain adjustments would be permitted as defined by Section 1220 of the Real Property Tax Law. A school district could exceed the tax levy limitation only if the budget is approved by at least 60% of the vote. There are certain exemptions to the tax levy limitation, such as expenditures made on account of certain tort settlements and certain increases in the actuarial contribution rates of the various public employee retirement systems.

**D. Cumulative Effect of Change in Accounting Principle**

For the year ended June 30, 2015, the School District 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 district-wide financial statements reflect a cumulative effect for the change in accounting principle of \$19,459,050.

**E. Capital Projects Fund Project Deficit**

The deficit in the 2012 District-Wide Improvements capital project of \$305,347 arises because of expenditures exceeding current financing on the project. This deficit will be eliminated with the subsequent receipt or issuance of authorized financing.

**F. Expenditures in Excess of Budget**

Expenditures in the 2012 District-Wide Improvements capital project exceeded its authorization by \$202,196.

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

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

Current year	\$ 3,947,913
Prior years	<u>1,208,859</u>
	<u>\$ 5,156,772</u>

**B. Due From/To Other Funds**

The composition of interfund balances at June 30, 2015 is as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 678,832	\$ 8,900,869
Special Aid	5,571,623	-
Capital Projects	175,947	435,103
Non-Major		
Governmental	368,552	246,389
Internal Service	<u>2,787,407</u>	<u>-</u>
	<u>\$ 9,582,361</u>	<u>\$ 9,582,361</u>

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

**C. Capital Assets**

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

<u>Class</u>	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Balance June 30, 2015</u>
Capital Assets, not being depreciated - Land	<u>\$ 176,500</u>	<u>\$ -</u>	<u>\$ 176,500</u>
Capital Assets, being depreciated:			
Buildings and Improvements	\$ 207,414,684	\$ 6,490,872	\$ 213,905,556
Machinery and Equipment	1,001,152	87,914	1,089,066
Total Capital Assets, being depreciated	<u>208,415,836</u>	<u>6,578,786</u>	<u>214,994,622</u>
Less Accumulated Depreciation for:			
Buildings and Improvements	102,026,612	6,327,177	108,353,789
Machinery and Equipment	882,897	53,993	936,890
Total Accumulated Depreciation	<u>102,909,509</u>	<u>6,381,170</u>	<u>109,290,679</u>
Total Capital Assets, being depreciated, net	<u>\$ 105,506,327</u>	<u>\$ 197,616</u>	<u>\$ 105,703,943</u>
Capital Assets, net	<u>\$ 105,682,827</u>	<u>\$ 197,616</u>	<u>\$ 105,880,443</u>

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

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

General Support	\$ 63,799
Instruction	6,269,446
Cost of Food Sales	7,195
Culture and Recreation	<u>40,730</u>
Total Depreciation Expense	<u>\$ 6,381,170</u>

**D. Accrued Liabilities**

Accrued liabilities at June 30, 2015 were as follows:

	Fund			Total
	General	Special Aid	Non-Major Governmental	
Payroll and Employee Benefits	<u>\$ 16,496,072</u>	<u>\$ 380,432</u>	<u>\$ 72,856</u>	<u>\$ 16,949,360</u>

**E. 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 real property taxes for the 2014-2015 fiscal year.

	Balance July 1, 2014	New Issues	Redemptions	Balance June 30, 2015
Tax Anticipation Note	<u>\$ -</u>	<u>\$ 13,000,000</u>	<u>\$ 13,000,000</u>	<u>\$ -</u>

The tax anticipation note of \$13,000,000 was issued on August 22, 2014 and redeemed on June 26, 2015, with interest at 1.0%. Interest expenditures/expense of \$97,110 and \$12,668, respectively, was recorded in the fund financial statements in the General and Public Library Funds and in the district-wide financial statements.

**F. Short-Term Capital Borrowings - Bond Anticipation Notes**

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

Purpose	Original Issue Date	Rate of Interest	Maturity Date	Balance July 1, 2014	Issued	Balance June 30, 2015
	Public Library Improvements	9/25/2014	1.00%	09/15	<u>\$ -</u>	<u>\$ 815,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
 June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

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.

**G. Long-Term Liabilities**

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

	Balance as Reported, July 1, 2014	Cumulative Effect of Change in Accounting Principle	Balance as Restated, July 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance June 30, 2015	Due Within One-Year
<b>Bonds Payable:</b>							
Capital construction	\$ 50,789,526	\$ -	50,789,526	\$ -	\$ 5,569,526	\$ 45,220,000	\$ 5,595,000
Judgments and claims	4,725,000	-	4,725,000	5,000,000	1,375,000	8,350,000	1,420,000
	55,514,526	-	55,514,526	5,000,000	6,944,526	53,570,000	7,015,000
Plus - Unamortized premium on bonds	2,872,626	-	2,872,626	-	478,815	2,393,811	-
	58,387,152	-	58,387,152	5,000,000	7,423,341	55,963,811	7,015,000
<b>Energy Performance Contract Payable</b>	5,436,137	-	5,436,137	8,968,500	374,327	14,030,310	552,349
<b>Other Non-Current Liabilities:</b>							
Claims Payable	1,991,695	-	1,991,695	2,421,475	1,701,020	2,712,150	1,549,811
Compensated Absences	4,845,748	-	4,845,748	171,373	337,065	4,680,056	335,694
Net Pension Liability	-	3,600,512	3,600,512	-	908,813	2,691,699	-
Other Post-Employment Benefits Obligations	35,599,235	-	35,599,235	12,344,038	5,187,625	42,755,648	-
<b>Total Other Non- Current Liabilities</b>	42,436,678	3,600,512	46,037,190	14,936,886	8,134,523	52,839,553	1,885,505
<b>Total Long-Term Liabilities</b>	\$ 106,259,967	\$ 3,600,512	\$ 109,860,479	\$ 28,905,386	\$ 15,932,191	\$ 122,833,674	\$ 9,452,854

Each governmental funds' liability for bonds, energy performance contract debt, claims, compensated absences, net pension liabilities and other post employment benefit obligations is liquidated by the General Fund.



**City School District of New Rochelle, 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 Rate	Amount Outstanding at June 30, 2015
Tax Certiorari	2006	\$ 3,000,000	June, 2016	5.000 %	\$ 400,000
District-Wide Construction	2009	12,503,670	November, 2024	2.750 - 4.000	8,650,000
Refunding Bonds	2009	25,575,000	December, 2019	3.500 - 5.000	14,045,000
Tax Certiorari	2010	5,000,000	December, 2019	4.000 - 5.000	2,950,000
Refunding Bonds	2011	6,060,000	December, 2019	4.000 - 5.000	4,510,000
Refunding Bonds	2012	17,685,000	September, 2024	2.000 - 5.000	16,095,000
Library Construction Bonds	2014	1,989,526	January, 2036	3.000 - 4.000	1,920,000
Tax Certiorari	2015	5,000,000	June, 2025	2.000 - 4.000	5,000,000
					\$ 53,570,000

Interest expenditure of \$1,955,588 and \$68,736, respectively, was recorded in the fund financial statements in the General and Library Funds. Interest expense of \$1,933,395 was recorded in the district-wide financial statements.

**Energy Performance Contract Payable**

The School District, during the 2011-12 fiscal year, entered into a \$6,331,460 contractual agreement to install energy saving equipment and/or to upgrade existing facilities to enhance performance. The terms of the contract provided for repayment over fifteen years, with semi-annual installments aggregating \$510,681 through November 2026. Payments include interest at 2.55%. The contract further provided that the savings in energy costs resulting from this modernization will equal or exceed the lease payment terms. The balance due at June 30, 2014 was \$5,061,810.

The School District, during the 2014-15 fiscal year, entered into a \$8,968,500 contractual agreement to install energy saving equipment and/or upgrade existing facilities to enhance performance. The terms of the contract provided for repayment over fifteen years, with semi-annual installments aggregating \$734,668 through June 2030. Payments include interest at 2.218%. The contract further provided 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 \$8,968,500.

Interest expenditures/expense of \$136,355 was recorded in the fund financial statements in the General Fund and in the district-wide financial statements.

**City School District of New Rochelle, 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 and energy performance contract debt outstanding as of June 30, 2015 including interest payments of \$10,864,351 are as follows:

Year Ending June 30,	Bonds		Energy Performance Contracts		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 7,015,000	\$ 1,920,983	\$ 552,349	\$ 325,667	\$ 7,567,349	\$ 2,246,650
2017	6,880,000	1,634,988	936,270	309,079	7,816,270	1,944,067
2018	7,155,000	1,318,775	958,482	286,867	8,113,482	1,605,642
2019	7,425,000	982,425	981,225	264,124	8,406,225	1,246,549
2020	7,690,000	677,613	1,004,509	240,840	8,694,509	918,453
2021-2025	16,235,000	1,535,494	5,391,722	835,024	21,626,722	2,370,518
2026-2030	465,000	196,663	4,205,753	233,609	4,670,753	430,272
2031-2035	575,000	97,000	-	-	575,000	97,000
2036	130,000	5,200	-	-	130,000	5,200
	<u>\$ 53,570,000</u>	<u>\$ 8,369,141</u>	<u>\$ 14,030,310</u>	<u>\$ 2,495,210</u>	<u>\$ 67,600,310</u>	<u>\$ 10,864,351</u>

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

**Claims Payable**

The Internal Service Fund reflects workers' compensation claim liabilities 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. 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 claims 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 reflect 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:

	Year Ended June 30,	
	2015	2014
Balance - Beginning of Year	\$ 1,572,150	\$ 1,342,054
Provision for Claims and Claims Adjustment Expenses	2,421,475	1,156,434
Claims and Claims Adjustment Expenses Paid	<u>(1,281,475)</u>	<u>(926,338)</u>
Balance - End of Year	<u>\$ 2,712,150</u>	<u>\$ 1,572,150</u>
Due Within One Year	<u>\$ 1,549,811</u>	<u>\$ 1,116,774</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

**Compensated Absences**

Civil service employees may accumulate up to a maximum of 220 days of sick leave. Upon retirement, sick leave is credited to length of service for retirement benefit purposes. Vacation time earned during any fiscal year generally must be used prior to the end of the subsequent fiscal year. However, the School District allows employees to carry over up to 10 days of unused vacation leave. Compensated absences are funded by the General Fund. The value of such compensated absences has been reflected in the district-wide financial statements.

**Pension Plans**

*Employees' Retirement System*

The School District participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The School District also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/publications/index.php](http://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 ERS 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 ERS'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>
1 75I	27.7 %
3 A15	20.4
4 A15	20.4
5 A15	16.7
6 A15	11.1

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

At June 30, 2015, the School District reported a liability of \$2,691,699 for its proportionate share of the net pension liability. 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 School District'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 School District's proportion was .0796774%. For this first year of implementation, the ERS reported no change in the allocation percentage measured as of March 31, 2014.

For the year ended June 30, 2015, the School District recognized pension expense in the district-wide financial statements of \$2,596,697. Pension expenditures of \$4,831,992 were recorded in the fund financial statements and were charged to the following funds:

General Fund	\$ 4,147,767
Special Aid	30,918
School Lunch	224,685
Public Library	<u>428,622</u>
 Total	 <u>\$ 4,831,992</u>

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 86,164	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	467,514	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	714,679	-
School District contributions subsequent to the measurement date	<u>1,463,742</u>	<u>-</u>
	<u>\$ 2,732,099</u>	<u>\$ -</u>

\$1,463,742 reported as deferred outflows of resources related to ERS resulting from the School District's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

**Note 3 - Detailed Notes on All Funds (Continued)**

<u>Year Ended</u> <u>March 31,</u>	
2016	\$ 317,089
2017	317,089
2018	317,089
2019	317,090
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 pension liability to March 31, 2015. The total pension liability for the March 31, 2014 measurement date was 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%, 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 ERS'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.

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

<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 statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.5%)</u>	<u>Current Assumption (7.5%)</u>	<u>1% Increase (8.5%)</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 17,941,338</u>	<u>\$ 2,691,699</u>	<u>\$ (10,182,777)</u>

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

Total pension liability	\$ 164,591,504,000
ERS fiduciary net position	<u>161,213,259,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>97.9%</u>

**Note 3 - Detailed Notes on All Funds (Continued)**

Employer contributions to ERS are paid annually and cover the period through the end of ERS's fiscal year, which is March 31<sup>st</sup>. 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 wages multiplied by the employers' contribution rate, by tier. Accrued retirement contributions to ERS as of June 30, 2015 were \$1,463,742.

*Teachers' Retirement System*

The School District participates in the New York State Teachers' Retirement System ("TRS"). This is a cost-sharing, multiple-employer defined benefit pension plan. TRS provides retirement benefits as well as death and disability benefits. The TRS is governed by a ten member Board of Trustees, which sets policy and oversees operations consistent with its fiduciary obligations under applicable law. Obligations of employers and employees to contribute and benefits to employees are governed by the Education Law of the State of New York. Once a public employer elects to participate in the TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The TRS issues a stand-alone financial report which may be found at [www.nystrs.org](http://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 School District reported an asset of \$78,931,150 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 School District's proportion of the net pension asset was based on the School District's contributions to the pension plan relative to the contributions of all participating members. At June 30, 2014, the School District's proportion was .708578%, which was an increase of .00896% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the School District recognized pension expense in the district-wide financial statements of \$(3,149,521). Pension expenditures of \$17,858,626 and \$716,868 were recorded in the fund financial statements and were charged to the General and Special Aid funds, respectively. At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to TRS from the following sources:

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,154,223
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	53,010,845
Changes in proportion and differences between School District contributions and proportionate share of contributions	-	52,834
School District contributions subsequent to the measurement date	<u>18,625,574</u>	<u>-</u>
	<u>\$ 18,625,574</u>	<u>\$ 54,217,902</u>

\$18,625,574 reported as deferred outflows of resources related to TRS resulting from the School District'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 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	\$ (13,393,067)
2016	(13,393,067)
2017	(13,393,067)
2018	(13,393,067)
2019	(140,355)
Thereafter	(505,279)

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 %	10.91 %
35	6.26	6.27
45	5.39	5.04
55	4.42	4.01



**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

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 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.

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

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 School District's proportionate share of the net pension asset calculated using the discount rate of 8.0%, as well as what the School District'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:

	1% Decrease (7.0%)	Current Assumption (8.0%)	1% Increase (9.0%)
School District's proportionate share of the net pension asset	<u>\$ (1,702,656)</u>	<u>\$ (78,931,150)</u>	<u>\$ (144,740,552)</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 \$19,334,806.

**Other Post Employment Benefit Obligations Payable**

In addition to providing pension benefits, the School District 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 School District may vary according to length of service. The cost of providing post employment health care benefits is shared between the School District and the retired employee. Substantially all of the School District's employee's may become eligible for those benefits if they reach normal retirement age while working for the School District. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid.

**Note 3 - Detailed Notes on All Funds (Continued)**

The School District's annual other post employment 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 establishes 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 School District is required to accrue on the district-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 rates of increase in post retirement benefits are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Medical</u>
2016	8.50 %
2017	8.00
2018	7.50
2019	7.00
2020	6.50
2021	6.00
2022	5.50
2023+	5.00

The amortization basis is the fixed dollar amortization with a closed amortization approach with 22 years remaining in the amortization period. The actuarial assumptions included a 5.0% investment rate of return. The School District currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

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

Active Employees	1,288
Retired Employees	<u>763</u>
	<u><u>2,051</u></u>

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2014	\$ 154,277,494
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 154,277,494</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 91,108,728</u>
UAAL as a Percentage of Covered Payroll	<u>169.33%</u>
Annual Required Contribution	\$ 7,327,739
Interest on Net OPEB Obligation	1,779,962
Adjustment to Annual Required Contribution	<u>3,236,337</u>
Annual OPEB Cost	12,344,038
Contributions Made	<u>(5,187,625)</u>
Increase in Net OPEB Obligation	7,156,413
Net OPEB Obligation - Beginning of Year	<u>35,599,235</u>
Net OPEB Obligation - End of Year	<u>\$ 42,755,648</u>

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

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 12,344,038	42.03 %	\$ 42,755,648
2014	11,777,067	42.31	35,599,235
2013	12,063,494	41.13	28,804,510

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.

**Note 3 - Detailed Notes on All Funds (Continued)**

**H. 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
	Special Aid Fund	Capital Projects Fund	
General Fund	\$ 825,921	\$ 870,427	\$ 1,696,348

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects and Special Aid funds expenditures.

**I. 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.

*Restricted for Tax Certiorari* - the component of net position that has been established in accordance with the Education Law of the State of New York to provide funding for court ordered tax refunds which are currently in process.

*Restricted for Unemployment Benefits* - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of the General Municipal Law of the State of New York.

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

*Restricted for Workers' Compensation Benefits* - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-j of the General Municipal Law of the State of New York.

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

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)

June 30, 2015

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**Note 3 - Detailed Notes on All Funds (Continued)**

*Restricted for Public Library Purposes* - the component of net position that reports the difference between assets and liabilities in the Public Library Fund.

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

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

**City School District of New Rochelle, New York**

Notes to Financial Statements (Continued)  
June 30, 2015

**Note 3 - Detailed Notes on All Funds (Continued)**

**J. Fund Balances**

	2015				2014			
	General Fund	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Capital Projects Fund	Non-Major Governmental	Total
<b>Nonspendable:</b>								
Inventories	\$ -	\$ -	\$ 9,404	\$ 9,404	\$ -	\$ -	\$ 14,035	\$ 14,035
Prepaid expenditures	-	-	127,488	127,488	-	-	44,926	44,926
<b>Total Nonspendable</b>	<b>-</b>	<b>-</b>	<b>136,892</b>	<b>136,892</b>	<b>-</b>	<b>-</b>	<b>58,961</b>	<b>58,961</b>
<b>Restricted:</b>								
Tax certiorari	5,000,000	-	-	5,000,000	91,598	-	-	91,598
Unemployment benefits	166,282	-	-	166,282	166,282	-	-	166,282
Capital projects	-	4,752,057	-	4,752,057	-	1,404,002	-	1,404,002
Debt service	-	-	502,710	502,710	-	-	262,373	262,373
Special purposes - library	-	-	166,993	166,993	-	-	153,716	153,716
Special purposes - other	-	-	342,188	342,188	-	-	310,919	310,919
<b>Total Restricted</b>	<b>5,166,282</b>	<b>4,752,057</b>	<b>1,011,891</b>	<b>10,930,230</b>	<b>257,880</b>	<b>1,404,002</b>	<b>727,008</b>	<b>2,388,890</b>
<b>Assigned:</b>								
<b>Purchases on order:</b>								
General government support	320,797	-	-	320,797	72,509	-	-	72,509
Instruction	53,435	-	-	53,435	8,315	-	-	8,315
	374,232	-	-	374,232	80,824	-	-	80,824
<b>Subsequent year's expenditures from:</b>								
General Fund	-	-	-	-	3,750,000	-	-	3,750,000
Public Library Fund	-	-	275,000	275,000	-	-	125,000	125,000
Debt Service Fund	-	-	262,375	262,375	-	-	500,000	500,000
Webster Elementary School								
Capital Repairs	2,000,000	-	-	2,000,000	-	-	-	-
School Lunch Fund	-	-	458,176	458,176	-	-	415,804	415,804
Public Library purposes	-	-	631,061	631,061	-	-	727,697	727,697
<b>Total Assigned</b>	<b>2,374,232</b>	<b>-</b>	<b>1,626,612</b>	<b>4,000,844</b>	<b>3,830,824</b>	<b>-</b>	<b>1,768,501</b>	<b>5,599,325</b>
<b>Unassigned</b>	<b>7,524,179</b>	<b>-</b>	<b>-</b>	<b>7,524,179</b>	<b>5,989,509</b>	<b>-</b>	<b>-</b>	<b>5,989,509</b>
<b>Total Fund Balances</b>	<b>\$ 15,064,693</b>	<b>\$ 4,752,057</b>	<b>\$ 2,775,395</b>	<b>\$ 22,592,145</b>	<b>\$ 10,078,213</b>	<b>\$ 1,404,002</b>	<b>\$ 2,554,470</b>	<b>\$ 14,036,685</b>

**Note 3 - Detailed Notes on All Funds (Continued)**

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

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

Prepaid Expenditures 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.

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

Subsequent year's expenditures represent that at June 30, 2015, the Board of Education has assigned the above amounts to be appropriated for the ensuing year's budget.

Webster Elementary School Capital Repairs represents that the School District has assigned this amount to cover the cost of repairing and replacing the ceiling at this facility.

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

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the School District 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**

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

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



**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Risk Management**

The School District and other school districts have formed a reciprocal insurance company to be owned by these districts. This Company operates under an agreement effective July 1, 1989. The purpose of the Company is to provide general liability, auto liability, all risk building and contents and auto physical damage coverage. In addition, as part of the reciprocal program, excess insurance, school board legal liability, equipment floaters, boilers and machinery and crime and bond coverages will be purchased from commercial carriers and be available to the subscriber districts. The Company retains a management company which is responsible for the overall supervision and management of the Company. The Company is managed by a Board of Governors and an Attorney-in-fact, which is comprised of employees of the subscriber districts. The subscribers have elected those who sit on the board and each subscriber has a single vote. The Company is an "assessable" insurance company, in that, the subscribers are severally liable for any financial shortfall of the Company and can be assessed their proportionate share by the State Insurance Department if the funds of the Company are less than what is required to satisfy its liabilities. The subscriber districts are required to pay premiums as well as a minimal capital contribution.

The School District purchases various insurance coverages from the Company to reduce its exposure to loss. The School District maintains a general liability insurance policy with a limit of \$1 million per occurrence and a school board legal liability policy with a per claim limit of \$1 million. The School District also maintains an umbrella policy with a limit of \$25 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School District is self-insured for workers' compensation benefits. The governmental funds are charged premiums by the internal service fund. The School District also purchases a stop loss policy, which limits the School District's exposure to \$500,000 per occurrence and \$2,000,000 in the aggregate. Unemployment benefits are self-insured by the School District and incurred but not reported claims are not material. The School District also purchases conventional health coverage from a variety of providers.

**Note 5 - Subsequent Events**

In August 2015, the second floor ceiling at the Daniel Webster Elementary School collapsed. As a result, management has assigned \$2 million of the fund balance of the General Fund for its repair and replacement.

The School District, on September 26, 2015, issued a \$5,000,000 note in anticipation of the collection of 2015-2016 real property taxes. The note is due on June 29, 2016, with interest at .72%.

The School District, on September 30, 2015, renewed an \$815,000 bond anticipation note for Public Library Improvements. The note is due on September 23, 2016, with interest at 1.09%.

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**City School District of New Rochelle, 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	\$ -	\$ 143,952,288	\$ 143,952,288	- %	\$ 96,775,560	148.75 %
July 1, 2013	-	147,466,403	147,466,403	-	98,239,723	150.11
July 1, 2014	-	154,277,494	154,277,494	-	91,108,728	169.33

**City School District of New Rochelle, New York**

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

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	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>0.708578%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ (78,931,150)</u>
School District's covered-employee payroll	<u>\$ 106,487,292</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>(74.12)%</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 School District of New Rochelle, New York**

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

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	<u>2015</u>
Contractually required contribution	\$ 18,625,574
Contributions in relation to the contractually required contribution	<u>(18,625,574)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 106,487,292</u>
Contributions as a percentage of covered-employee payroll	<u>17.49%</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 School District of New Rochelle, New York**

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

---

	<u>2015</u>
School District's proportion of the net pension liability (asset)	<u>0.0796774%</u>
School District's proportionate share of the net pension liability (asset)	<u>\$ 2,691,699</u>
School District's covered-employee payroll	<u>\$ 24,069,960</u>
School District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>11.18%</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 School District of New Rochelle, New York**

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

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	<u>2015</u>
Contractually required contribution	\$ 4,791,854
Contributions in relation to the contractually required contribution	<u>(4,791,854)</u>
Contribution deficiency (excess)	<u>\$ -</u>
School District's covered-employee payroll	<u>\$ 24,069,960</u>
Contributions as a percentage of covered-employee payroll	<u>19.91%</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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**City School District of New Rochelle, New York**

General Fund  
Comparative Balance Sheet  
June 30,

	2015	2014
<b>ASSETS</b>		
Cash and equivalents	\$ 36,993,558	\$ 34,496,169
Receivables		
Taxes	5,156,772	5,452,575
Accounts	18,623,901	11,968,477
State and Federal aid	4,280,214	4,290,214
Due from other governments, net of allowance for uncollectible amounts of \$1,134,131 in 2015 and \$334,131 in 2014	6,910,177	5,998,290
Due from other funds	678,832	990,522
	<u>35,649,896</u>	<u>28,700,078</u>
Total Assets	<u>\$ 72,643,454</u>	<u>\$ 63,196,247</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 6,725,967	\$ 7,199,814
Accrued liabilities	16,496,072	15,691,277
Due to other funds	8,900,869	6,902,149
Due to other governments	1,357,280	-
Due to retirement systems	20,696,103	19,015,183
Total Liabilities	54,176,291	48,808,423
Deferred inflows of resources		
Deferred tax revenues	3,402,470	4,309,611
Total Liabilities and Deferred Inflows of Resources	<u>57,578,761</u>	<u>53,118,034</u>
Fund balance		
Restricted	5,166,282	257,880
Assigned	2,374,232	3,830,824
Unassigned	7,524,179	5,989,509
Total Fund Balance	<u>15,064,693</u>	<u>10,078,213</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 72,643,454</u>	<u>\$ 63,196,247</u>

**City School District of New Rochelle, 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	Encumbr- ances	
<b>REVENUES</b>					
Real property taxes	\$ 173,442,207	\$ 173,442,207	\$ 174,252,322	\$ -	\$ 810,115
Other tax items	23,710,165	23,710,165	23,749,886	-	39,721
Non-property taxes	3,418,276	3,418,276	3,335,025	-	(83,251)
Charges for services	3,066,968	3,066,968	2,584,961	-	(482,007)
Use of money and property	255,060	255,060	735,209	-	480,149
Sale of property and compensation for loss	50,000	50,000	56,399	-	6,399
State aid	34,971,634	34,971,634	34,279,826	-	(691,808)
Federal aid	260,464	260,464	50,775	-	(209,689)
Miscellaneous	2,032,557	2,032,557	1,909,641	-	(122,916)
<b>Total Revenues</b>	<b>241,207,331</b>	<b>241,207,331</b>	<b>240,954,044</b>		<b>(253,287)</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
General support					
Board of education	326,694	282,199	252,626	-	29,573
Central administration	526,774	496,471	455,310	2,621	38,540
Finance	1,651,790	1,641,789	1,563,411	14,500	63,878
Staff	1,600,587	1,680,137	1,599,129	-	81,008
Central services	17,386,729	20,949,436	19,979,823	303,676	665,937
Special items	3,762,349	5,355,374	5,310,246	-	45,128
<b>Total General Support</b>	<b>25,254,923</b>	<b>30,405,406</b>	<b>29,160,545</b>	<b>320,797</b>	<b>924,064</b>
Instruction					
Instruction, administration and improvement	10,391,008	10,532,144	10,445,131	825	86,188
Teaching - Regular school	81,946,968	77,404,327	76,942,353	-	461,974
Programs for children with handicapping conditions	22,940,858	22,908,570	22,505,438	-	403,132
Occupational education	3,144,340	3,515,925	3,515,925	-	-
Teaching - Special schools	1,072,789	1,076,871	889,361	-	187,510
Instructional media	5,804,419	5,596,772	5,356,688	52,100	187,984
Pupil services	12,010,595	12,095,017	11,983,807	510	110,700
<b>Total Instruction</b>	<b>137,310,977</b>	<b>133,129,626</b>	<b>131,638,703</b>	<b>53,435</b>	<b>1,437,488</b>
Pupil transportation	12,650,786	12,472,348	12,317,385	-	154,963
Community services	2,469	1,234	-	-	1,234
Employee benefits	58,922,000	58,230,357	56,716,203	-	1,514,154
Debt service					
Principal	7,249,328	7,249,328	7,249,327	-	1
Interest	2,257,943	2,257,943	2,189,053	-	68,890
<b>Total Expenditures</b>	<b>243,648,426</b>	<b>243,746,242</b>	<b>239,271,216</b>	<b>374,232</b>	<b>4,100,794</b>
Excess (Deficiency) of Revenues Over Expenditures	(2,441,095)	(2,538,911)	1,682,828	(374,232)	3,847,507
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	-	-	5,000,000	-	5,000,000
Transfers in	500,000	500,000	-	-	(500,000)
Transfers out	(1,889,729)	(1,883,511)	(1,696,348)	-	187,163
<b>Total Other Financing Sources (Uses)</b>	<b>(1,389,729)</b>	<b>(1,383,511)</b>	<b>3,303,652</b>	<b>-</b>	<b>4,687,163</b>
<b>Net Change in Fund Balance</b>	<b>(3,830,824)</b>	<b>(3,922,422)</b>	<b>4,986,480</b>	<b>\$ (374,232)</b>	<b>\$ 8,534,670</b>
<b>FUND BALANCE</b>					
Beginning of Year	3,830,824	3,922,422	10,078,213		
End of Year	\$ -	\$ -	\$ 15,064,693		

## 2014

Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
\$ 169,590,276	\$ 169,590,276	\$ 169,365,036	\$	\$ (225,240)
24,267,542	24,267,542	25,066,211		798,669
2,927,040	2,927,040	3,506,953		579,913
2,940,153	2,940,153	4,291,846		1,351,693
304,492	304,492	178,520		(125,972)
50,000	50,000	252,157		202,157
31,785,146	31,785,146	31,302,944		(482,202)
200,000	200,000	97,969		(102,031)
2,217,381	2,217,381	2,036,618		(180,763)
<u>234,282,030</u>	<u>234,282,030</u>	<u>236,098,254</u>		<u>1,816,224</u>
321,318	347,782	309,923	5,377	32,482
504,768	409,488	327,460	-	82,028
1,523,864	1,507,349	1,458,055	10,628	38,666
1,566,491	1,621,806	1,569,725	-	52,081
16,897,333	18,485,606	18,429,044	56,504	58
3,637,331	6,756,888	6,756,888	-	-
<u>24,451,105</u>	<u>29,128,919</u>	<u>28,851,095</u>	<u>72,509</u>	<u>205,315</u>
10,504,038	10,353,540	10,334,710	3,000	15,830
80,935,832	80,693,462	79,841,682	270	851,510
21,897,456	22,540,886	22,440,061	1,197	99,628
2,850,000	3,168,416	3,168,416	-	-
1,172,540	1,065,540	1,049,286	-	16,254
5,549,906	5,532,621	5,264,720	3,343	264,558
12,068,443	12,172,273	11,840,933	505	330,835
<u>134,978,215</u>	<u>135,526,738</u>	<u>133,939,808</u>	<u>8,315</u>	<u>1,578,615</u>
12,409,825	12,325,528	12,163,542	-	161,986
6,051	2,469	-	-	2,469
56,187,130	54,740,666	54,297,883	-	442,783
7,029,955	7,029,955	7,029,954	-	1
2,553,972	2,430,722	2,430,721	-	1
<u>237,616,253</u>	<u>241,184,997</u>	<u>238,713,003</u>	<u>80,824</u>	<u>2,391,170</u>
<u>(3,334,223)</u>	<u>(6,902,967)</u>	<u>(2,614,749)</u>	<u>(80,824)</u>	<u>4,207,394</u>
-	-	-	-	-
500,000	500,000	500,000	-	-
(1,977,849)	(999,105)	(984,019)	-	15,086
<u>(1,477,849)</u>	<u>(499,105)</u>	<u>(484,019)</u>	<u>-</u>	<u>15,086</u>
(4,812,072)	(7,402,072)	(3,098,768)	\$ (80,824)	\$ 4,222,480
<u>4,812,072</u>	<u>7,402,072</u>	<u>13,176,981</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,078,213</u>		

**City School District of New Rochelle, New York**

General Fund  
 Schedule of Revenues and Other Financing Sources Compared to Budget  
 Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REAL PROPERTY TAXES</b>	\$ 173,442,207	\$ 173,442,207	\$ 174,252,322	\$ 810,115
<b>OTHER TAX ITEMS</b>				
School tax relief reimbursement	20,926,970	20,926,970	20,929,759	2,789
Payments in lieu of taxes	1,962,563	1,962,563	2,416,726	454,163
Interest and penalties on real property taxes	820,632	820,632	403,401	(417,231)
	<u>23,710,165</u>	<u>23,710,165</u>	<u>23,749,886</u>	<u>39,721</u>
<b>NON-PROPERTY TAXES</b>				
Utility gross receipts tax	3,418,276	3,418,276	3,335,025	(83,251)
<b>CHARGES FOR SERVICES</b>				
Day school tuition	761,582	761,582	1,051,109	289,527
Continuing education tuition	105,386	105,386	76,248	(29,138)
Health services for other districts	2,200,000	2,200,000	1,457,604	(742,396)
	<u>3,066,968</u>	<u>3,066,968</u>	<u>2,584,961</u>	<u>(482,007)</u>
<b>USE OF MONEY AND PROPERTY</b>				
Earnings on investments	105,024	105,024	565,771	460,747
Rental of real property	150,036	150,036	169,438	19,402
	<u>255,060</u>	<u>255,060</u>	<u>735,209</u>	<u>480,149</u>
<b>SALE OF PROPERTY AND COMPENSATION FOR LOSS</b>				
Insurance recoveries	-	-	55,640	55,640
Other	50,000	50,000	759	(49,241)
	<u>50,000</u>	<u>50,000</u>	<u>56,399</u>	<u>6,399</u>

**STATE AID**

Basic formula	29,708,117	29,708,117	29,099,420	(608,697)
BOCES	3,450,000	3,450,000	3,606,535	156,535
Textbooks	746,603	746,603	741,814	(4,789)
Computer software	315,798	315,798	319,930	4,132
Library aid	87,153	87,153	85,268	(1,885)
Homeless aid	663,963	663,963	194,094	(469,869)
Chapter 47 tuition	-	-	232,765	232,765

	<u>34,971,634</u>	<u>34,971,634</u>	<u>34,279,826</u>	<u>(691,808)</u>
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**FEDERAL AID**

Medical assistance	260,464	260,464	50,775	(209,689)
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**MISCELLANEOUS**

Refund of prior year's expenditures	1,443,400	1,443,400	1,232,890	(210,510)
School technology voucher program	-	-	230,578	230,578
Other	589,157	589,157	446,173	(142,984)

	<u>2,032,557</u>	<u>2,032,557</u>	<u>1,909,641</u>	<u>(122,916)</u>
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**TOTAL REVENUES**

	<u>241,207,331</u>	<u>241,207,331</u>	<u>240,954,044</u>	<u>(253,287)</u>
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**OTHER FINANCING SOURCES**

Bonds issued	-	-	5,000,000	5,000,000
Transfers in				
Debt Service Fund	500,000	500,000	-	(500,000)

**TOTAL OTHER FINANCING SOURCES**

	<u>500,000</u>	<u>500,000</u>	<u>5,000,000</u>	<u>4,500,000</u>
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**TOTAL REVENUES AND  
OTHER FINANCING SOURCES**

	<u>\$ 241,707,331</u>	<u>\$ 241,707,331</u>	<u>\$ 245,954,044</u>	<u>\$ 4,246,713</u>
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**City School District of New Rochelle, New York**

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget  
 Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
<b>GENERAL SUPPORT</b>					
<b>BOARD OF EDUCATION</b>					
Board of education	\$ 41,976	\$ 20,155	\$ 20,151	\$ -	\$ 4
District clerk	184,301	183,780	167,447	-	16,333
District meeting	100,417	78,264	65,028	-	13,236
Total Board of Education	326,694	282,199	252,626	-	29,573
<b>CENTRAL ADMINISTRATION</b>					
Chief school administrator	526,774	496,471	455,310	2,621	38,540
<b>FINANCE</b>					
Business administration	972,482	954,619	893,158	14,500	46,961
Accounting and auditing	129,100	126,100	117,936	-	8,164
Treasurer	157,349	157,349	152,708	-	4,641
Purchasing	391,859	399,371	395,259	-	4,112
Other	1,000	4,350	4,350	-	-
Total Finance	1,651,790	1,641,789	1,563,411	14,500	63,878
<b>STAFF</b>					
Legal	540,000	581,690	579,465	-	2,225
Personnel	792,357	830,217	806,394	-	23,823
Records management officer	20,230	20,230	19,283	-	947
Public information and services	248,000	248,000	193,987	-	54,013
Total Staff	1,600,587	1,680,137	1,599,129	-	81,008

**CENTRAL SERVICES**

Operation and maintenance of plant	16,028,764	15,244,927	14,430,946	286,246	527,735
Security	-	4,141,216	3,996,723	17,430	127,063
Central printing and mailing	30,500	34,096	28,583	-	5,513
Central data processing	1,327,465	1,529,197	1,523,571	-	5,626
<b>Total Central Services</b>	<b>17,386,729</b>	<b>20,949,436</b>	<b>19,979,823</b>	<b>303,676</b>	<b>665,937</b>

**SPECIAL ITEMS**

Unallocated insurance	1,234,800	1,198,192	1,162,064	-	36,128
School association dues	28,447	28,968	28,968	-	-
Judgments and claims	10,000	10,000	1,000	-	9,000
Assessments on school property	225,000	261,608	261,608	-	-
Refunds of real property taxes	1,300,000	2,827,990	2,827,990	-	-
Administrative charge - BOCES	964,102	1,028,616	1,028,616	-	-
<b>Total Special Items</b>	<b>3,762,349</b>	<b>5,355,374</b>	<b>5,310,246</b>	<b>-</b>	<b>45,128</b>

**Total General Support**

<b>25,254,923</b>	<b>30,405,406</b>	<b>29,160,545</b>	<b>320,797</b>	<b>924,064</b>
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**INSTRUCTION****INSTRUCTION, ADMINISTRATION AND IMPROVEMENT**

Curriculum development and supervision	1,005,884	1,096,174	1,050,858	-	45,316
Supervision - Regular school	8,956,125	9,036,752	9,035,927	825	-
Supervision - Special schools	85,278	59,276	59,276	-	-
Research, planning and evaluation	128,997	111,842	111,842	-	-
In-service training - Instruction	214,724	228,100	187,228	-	40,872

**Total Instruction, Administration and Improvement**

<b>10,391,008</b>	<b>10,532,144</b>	<b>10,445,131</b>	<b>825</b>	<b>86,188</b>
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**TEACHING - REGULAR SCHOOL**

<b>81,946,968</b>	<b>77,404,327</b>	<b>76,942,353</b>	<b>-</b>	<b>461,974</b>
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**PROGRAMS FOR CHILDREN WITH HANDICAPPING CONDITIONS**

Programs for students with disabilities	22,940,858	22,908,570	22,505,438	-	403,132
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**OCCUPATIONAL EDUCATION**

<b>3,144,340</b>	<b>3,515,925</b>	<b>3,515,925</b>	<b>-</b>	<b>-</b>
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**TEACHING - SPECIAL SCHOOLS**

<b>1,072,789</b>	<b>1,076,871</b>	<b>889,361</b>	<b>-</b>	<b>187,510</b>
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(Continued)

City School District of New Rochelle, New York

General Fund  
 Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)  
 Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Encumbrances	Variance with Final Budget Positive (Negative)
<b>INSTRUCTION (Continued)</b>					
<b>INSTRUCTIONAL MEDIA</b>					
School library and audiovisual	\$ 1,154,351	\$ 1,168,892	\$ 1,106,630	\$ -	\$ 62,262
Computer assisted instruction	4,650,068	4,427,880	4,250,058	52,100	125,722
Total Instructional Media	5,804,419	5,596,772	5,356,688	52,100	187,984
<b>PUPIL SERVICES</b>					
Attendance - Regular school	675,168	696,168	696,168	-	-
Guidance - Regular school	2,699,633	2,748,627	2,739,914	510	8,203
Health services - Regular school	3,416,505	3,276,617	3,174,120	-	102,497
Psychological services - Regular school	2,184,001	2,253,572	2,253,572	-	-
Social work services - Regular school	1,688,628	1,696,763	1,696,763	-	-
Co-curricular activities - Regular school	329,340	368,238	368,238	-	-
Interscholastic athletics - Regular school	1,017,320	1,055,032	1,055,032	-	-
Total Pupil Services	12,010,595	12,095,017	11,983,807	510	110,700
Total Instruction	137,310,977	133,129,626	131,638,703	53,435	1,437,488
<b>PUPIL TRANSPORTATION</b>					
District transportation services	288,386	276,668	266,194	-	10,474
Contract and public carrier transportation	12,362,400	12,195,680	12,051,191	-	144,489
Total Pupil Transportation	12,650,786	12,472,348	12,317,385	-	154,963
<b>COMMUNITY SERVICES</b>					
Census	2,469	1,234	-	-	1,234



**EMPLOYEE BENEFITS**

State retirement	4,885,000	4,613,369	4,147,767	-	465,602
Teachers' retirement	18,295,000	18,566,631	17,858,626	-	708,005
Social security	9,290,000	9,344,672	9,315,292	-	29,380
Hospital, medical and dental insurance	22,751,000	22,255,000	22,204,315	-	50,685
Workers' compensation benefits	1,414,000	1,110,000	1,093,191	-	16,809
Union welfare benefits	2,287,000	2,340,685	2,097,012	-	243,673
	<u>58,922,000</u>	<u>58,230,357</u>	<u>56,716,203</u>	<u>-</u>	<u>1,514,154</u>
Total Employee Benefits					

**DEBT SERVICE**

Principal					
Serial bonds	6,875,000	6,875,000	6,875,000	-	-
Energy performance contract	374,328	374,328	374,327	-	1
	<u>7,249,328</u>	<u>7,249,328</u>	<u>7,249,327</u>	<u>-</u>	<u>1</u>
Interest					
Serial bonds	2,021,588	2,021,588	1,955,588	-	66,000
Tax anticipation note	100,000	100,000	97,110	-	2,890
Energy performance contract	136,355	136,355	136,355	-	-
	<u>2,257,943</u>	<u>2,257,943</u>	<u>2,189,053</u>	<u>-</u>	<u>68,890</u>
Total Debt Service	<u>9,507,271</u>	<u>9,507,271</u>	<u>9,438,380</u>	<u>-</u>	<u>68,891</u>

**TOTAL EXPENDITURES**

	<u>243,648,426</u>	<u>243,746,242</u>	<u>239,271,216</u>	<u>374,232</u>	<u>4,100,794</u>
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**OTHER FINANCING USES**

Transfers out					
Special Aid Fund	1,614,729	1,012,145	825,921	-	186,224
Capital Projects Fund	275,000	871,366	870,427	-	939
	<u>1,889,729</u>	<u>1,883,511</u>	<u>1,696,348</u>	<u>-</u>	<u>187,163</u>
TOTAL OTHER FINANCING USES					

**TOTAL EXPENDITURES AND OTHER FINANCING USES**

	<u>\$ 245,538,155</u>	<u>\$ 245,629,753</u>	<u>\$ 240,967,564</u>	<u>\$ 374,232</u>	<u>\$ 4,287,957</u>
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**City School District of New Rochelle, New York**

Special Aid Fund  
Comparative Balance Sheet  
June 30,

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	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 50,197	\$ 124,660
Receivables		
State and Federal aid	6,268,978	4,182,524
Due from other funds	<u>5,571,623</u>	<u>2,629,959</u>
	<u>11,840,601</u>	<u>6,812,483</u>
Total Assets	<u>\$ 11,890,798</u>	<u>\$ 6,937,143</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 11,402,594	\$ 6,347,389
Accrued liabilities	380,432	462,790
Unearned revenues	<u>107,772</u>	<u>126,964</u>
Total Liabilities	<u>\$ 11,890,798</u>	<u>\$ 6,937,143</u>

**City School District of New Rochelle, New York**

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	
<b>REVENUES</b>				
State aid	\$ 2,851,439	\$ 3,077,002	\$ 3,044,849	\$ (32,153)
Federal aid	6,847,170	6,805,530	6,204,003	(601,527)
Miscellaneous	1,056,418	1,081,193	839,241	(241,952)
<b>Total Revenues</b>	<b>10,755,027</b>	<b>10,963,725</b>	<b>10,088,093</b>	<b>(875,632)</b>
<b>EXPENDITURES</b>				
Current				
Instruction	12,369,756	11,975,870	10,914,014	1,061,856
Deficiency of Revenues Over Expenditures	(1,614,729)	(1,012,145)	(825,921)	186,224
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,614,729	1,012,145	825,921	(186,224)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,629,787	\$ 2,753,596	\$ 2,768,682	\$ 15,086
7,373,386	7,859,307	6,161,991	(1,697,316)
915,788	915,788	915,788	-
9,918,961	11,528,691	9,846,461	(1,682,230)
11,621,810	12,252,796	10,555,480	1,697,316
(1,702,849)	(724,105)	(709,019)	15,086
1,702,849	724,105	709,019	(15,086)
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**City School District of New Rochelle, New York**

Capital Projects Fund  
 Comparative Balance Sheet  
 June 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,452,300	\$ 1,141,443
Restricted investments	4,484,480	-
Receivables		
Accounts	-	922,711
Due from other funds	175,947	140,352
	<u>175,947</u>	<u>1,063,063</u>
Total Assets	<u>\$ 6,112,727</u>	<u>\$ 2,204,506</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 84,597	\$ -
Retainages payable	25,970	-
Bond anticipation notes payable	815,000	-
Due to other funds	435,103	800,504
Total Liabilities	1,360,670	800,504
Fund balance		
Restricted	4,752,057	1,404,002
Total Liabilities and Fund Balance	<u>\$ 6,112,727</u>	<u>\$ 2,204,506</u>

**City School District of New Rochelle, New York**

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

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>	\$ -	\$ -
<b>EXPENDITURES</b>		
Capital outlay	<u>6,490,872</u>	<u>1,154,048</u>
Deficiency of Revenues Over Expenditures	<u>(6,490,872)</u>	<u>(1,154,048)</u>
<b>OTHER FINANCING SOURCES</b>		
Bonds issued	-	1,989,526
Energy performance contract issued	8,968,500	-
Insurance recoveries	-	922,711
Transfers in	<u>870,427</u>	<u>325,474</u>
Total Other Financing Sources	<u>9,838,927</u>	<u>3,237,711</u>
Net Change in Fund Balance	3,348,055	2,083,663
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>1,404,002</u>	<u>(679,661)</u>
End of Year	<u>\$ 4,752,057</u>	<u>\$ 1,404,002</u>

**City School District of New Rochelle, New York**

Capital Projects Fund  
 Project-Length Schedule  
 Inception of Project Through June 30, 2015

Project	Authorization	Expenditures and Transfers to Date			Unexpended Balance
		Prior Years	Current Year	Total	
2012 District-Wide Improvements	\$ 507,931	\$ 94,260	\$ 615,867	\$ 710,127	\$ (202,196)
School Building Improvements	869,427	-	805,722	805,722	63,705
Emergency Plumbing Repairs	176,000	-	84,107	84,107	91,893
Energy Performance Contract	8,968,500	-	4,484,250	4,484,250	4,484,250
Public Library Improvements	3,174,243	1,440,761	500,926	1,941,687	1,232,556
	<u>\$ 13,696,101</u>	<u>\$ 1,535,021</u>	<u>\$ 6,490,872</u>	<u>\$ 8,025,893</u>	<u>\$ 5,670,208</u>



Methods of Financing			Fund Balance (Deficit) at June 30, 2015	Bond Anticipation Notes Payable at June 30, 2015
Proceeds of Obligations	Transfers	Total		
\$ -	\$ 404,780	\$ 404,780	\$ (305,347)	\$ -
-	869,427	869,427	63,705	-
-	176,000	176,000	91,893	-
8,968,500	-	8,968,500	4,484,250	-
<u>2,185,000</u>	<u>174,243</u>	<u>2,359,243</u>	<u>417,556</u>	<u>815,000</u>
<u>\$ 11,153,500</u>	<u>\$ 1,624,450</u>	<u>\$ 12,777,950</u>	<u>\$ 4,752,057</u>	<u>\$ 815,000</u>

**City School District of New Rochelle, New York**

Combining Balance Sheet  
 Non-Major Governmental Funds  
 June 30, 2015  
 (With Comparative Totals for 2014)

	School Lunch	Public Library	Special Purpose	Debt Service
<b>ASSETS</b>				
Cash and equivalents	\$ 498,783	\$ 942,255	\$ 342,206	\$ 785,959
Receivables				
Accounts	93,185	-	-	-
State and Federal aid	176,912	-	-	-
Due from other funds	-	368,322	-	230
	<u>270,097</u>	<u>368,322</u>	<u>-</u>	<u>230</u>
Inventories	<u>9,404</u>	<u>-</u>	<u>-</u>	<u>-</u>
Prepaid expenditures	<u>-</u>	<u>127,488</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 778,284</u>	<u>\$ 1,438,065</u>	<u>\$ 342,206</u>	<u>\$ 786,189</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 470	\$ 16,479	\$ 18	\$ -
Accrued liabilities	60,404	12,452	-	-
Due to other funds	224,685	600	-	21,104
Due to retirement systems	-	102,445	-	-
Unearned revenues	25,145	105,547	-	-
Total Liabilities	<u>310,704</u>	<u>237,523</u>	<u>18</u>	<u>21,104</u>
Fund balances				
Nonspendable	9,404	127,488	-	-
Restricted	-	166,993	342,188	502,710
Assigned	458,176	906,061	-	262,375
Total Fund Balances	<u>467,580</u>	<u>1,200,542</u>	<u>342,188</u>	<u>765,085</u>
Total Liabilities and Fund Balances	<u>\$ 778,284</u>	<u>\$ 1,438,065</u>	<u>\$ 342,206</u>	<u>\$ 786,189</u>

Total Non-Major  
Governmental Funds

<u>2015</u>	<u>2014</u>
<u>\$ 2,569,203</u>	<u>\$ 2,408,912</u>
93,185	87,723
176,912	205,032
<u>368,552</u>	<u>1,350,237</u>
<u>638,649</u>	<u>1,642,992</u>
<u>9,404</u>	<u>14,035</u>
<u>127,488</u>	<u>44,926</u>
<u><u>\$ 3,344,744</u></u>	<u><u>\$ 4,110,865</u></u>
\$ 16,967	\$ 1,099,248
72,856	65,994
246,389	226,857
102,445	108,726
<u>130,692</u>	<u>55,570</u>
<u>569,349</u>	<u>1,556,395</u>
136,892	58,961
1,011,891	727,008
<u>1,626,612</u>	<u>1,768,501</u>
<u>2,775,395</u>	<u>2,554,470</u>
<u><u>\$ 3,344,744</u></u>	<u><u>\$ 4,110,865</u></u>

**City School District of New Rochelle, New York**

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

	School Lunch	Public Library	Special Purpose	Debt Service
<b>REVENUES</b>				
Real property taxes	\$ -	\$ 4,603,414	\$ -	\$ -
Other tax items	-	58,589	-	-
Charges for services	-	70,771	-	-
Use of money and property	-	12,842	13	2,712
State aid	67,169	30,328	-	-
Federal aid	2,266,851	16,803	-	-
Food sales	696,048	-	-	-
Miscellaneous	-	288,881	46,381	-
<b>Total Revenues</b>	<b>3,030,068</b>	<b>5,081,628</b>	<b>46,394</b>	<b>2,712</b>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	15,125	-
Culture and recreation	-	4,781,495	-	-
Cost of food sales	2,992,327	-	-	-
Debt service				
Principal	-	69,526	-	-
Interest	-	81,404	-	-
<b>Total Expenditures</b>	<b>2,992,327</b>	<b>4,932,425</b>	<b>15,125</b>	<b>-</b>
Excess of Revenues Over Expenditures	37,741	149,203	31,269	2,712
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>37,741</b>	<b>149,203</b>	<b>31,269</b>	<b>2,712</b>
<b>FUND BALANCES</b>				
Beginning of Year	429,839	1,051,339	310,919	762,373
End of Year	<u>\$ 467,580</u>	<u>\$ 1,200,542</u>	<u>\$ 342,188</u>	<u>\$ 765,085</u>

Total Non-Major  
Governmental Funds

2015	2014
\$ 4,603,414	\$ 4,493,577
58,589	55,743
70,771	77,092
15,567	18,077
97,497	203,330
2,283,654	2,128,612
696,048	702,471
335,262	203,128
8,160,802	7,882,030
15,125	15,881
4,781,495	4,624,474
2,992,327	2,842,403
69,526	-
81,404	29,994
7,939,877	7,512,752
220,925	369,278
-	(550,474)
220,925	(181,196)
2,554,470	2,735,666
\$ 2,775,395	\$ 2,554,470

**City School District of New Rochelle, New York**

School Lunch Fund  
 Comparative Balance Sheet  
 June 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 498,783	\$ 52,424
Receivables		
Accounts, net of allowance for uncollectible amounts of \$139,675 in 2015 and 2014	93,185	52,116
State and Federal aid	176,912	182,168
Due from other funds	-	1,226,026
	<u>270,097</u>	<u>1,460,310</u>
Inventories	<u>9,404</u>	<u>14,035</u>
Total Assets	<u>\$ 778,284</u>	<u>\$ 1,526,769</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 470	\$ 1,025,330
Accrued liabilities	60,404	48,258
Due to other funds	224,685	-
Unearned revenues	25,145	23,342
Total Liabilities	<u>310,704</u>	<u>1,096,930</u>
Fund balance		
Nonspendable	9,404	14,035
Assigned	458,176	415,804
Total Fund Balance	<u>467,580</u>	<u>429,839</u>
Total Liabilities and Fund Balance	<u>\$ 778,284</u>	<u>\$ 1,526,769</u>

**City School District of New Rochelle, New York**

School Lunch Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended June 30,

---

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
State aid	\$ 67,169	\$ 83,451
Federal aid	2,266,851	2,128,612
Food sales	<u>696,048</u>	<u>702,471</u>
Total Revenues	3,030,068	2,914,534
<b>EXPENDITURES</b>		
Current		
Cost of food sales	<u>2,992,327</u>	<u>2,842,403</u>
Excess of Revenues Over Expenditures	37,741	72,131
<b>FUND BALANCE</b>		
Beginning of Year	<u>429,839</u>	<u>357,708</u>
End of Year	<u>\$ 467,580</u>	<u>\$ 429,839</u>

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**City School District of New Rochelle, New York**

Public Library Fund  
 Comparative Balance Sheet  
 June 30,

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 942,255	\$ 1,297,849
Receivables		
State and Federal aid	-	22,864
Due from other funds	368,322	89,067
	<u>368,322</u>	<u>111,931</u>
Prepaid expenditures	<u>127,488</u>	<u>44,926</u>
Total Assets	<u>\$ 1,438,065</u>	<u>\$ 1,454,706</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 16,479	\$ 73,918
Accrued liabilities	12,452	17,736
Due to other funds	600	170,759
Due to retirement systems	102,445	108,726
Unearned revenues	105,547	32,228
Total Liabilities	<u>237,523</u>	<u>403,367</u>
Fund balance		
Nonspendable	127,488	44,926
Restricted	166,993	153,716
Assigned	906,061	852,697
Total Fund Balance	<u>1,200,542</u>	<u>1,051,339</u>
Total Liabilities and Fund Balance	<u>\$ 1,438,065</u>	<u>\$ 1,454,706</u>

**City School District of New Rochelle, 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	
<b>REVENUES</b>				
Real property taxes	\$ 4,603,500	\$ 4,603,500	\$ 4,603,414	\$ (86)
Other tax items	25,000	25,000	58,589	33,589
Charges for services	77,000	77,000	70,771	(6,229)
Use of money and property	11,583	11,820	12,842	1,022
State aid	20,000	95,683	30,328	(65,355)
Federal aid	-	17,380	16,803	(577)
Miscellaneous	159,118	420,467	288,881	(131,586)
<b>Total Revenues</b>	<b>4,896,201</b>	<b>5,250,850</b>	<b>5,081,628</b>	<b>(169,222)</b>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	4,862,201	5,221,020	4,781,495	439,525
Debt service				
Principal				
Serial bonds	-	69,526	69,526	-
Interest				
Serial bonds	-	68,736	68,736	-
Bond anticipation notes	139,000	738	-	738
Tax anticipation notes	20,000	15,830	12,668	3,162
	159,000	85,304	81,404	3,900
<b>Total Expenditures</b>	<b>5,021,201</b>	<b>5,375,850</b>	<b>4,932,425</b>	<b>443,425</b>
Excess (Deficiency) of Revenues Over Expenditures	(125,000)	(125,000)	149,203	274,203
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	-	-
<b>Net Change in Fund Balance</b>	<b>(125,000)</b>	<b>(125,000)</b>	<b>149,203</b>	<b>-</b>
<b>FUND BALANCE</b>				
Beginning of Year	125,000	125,000	1,051,339	926,339
End of Year	\$ -	\$ -	\$ 1,200,542	\$ 1,200,542

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,506,755	\$ 4,506,755	\$ 4,493,577	\$ (13,178)
45,000	45,000	55,743	10,743
69,100	69,100	77,092	7,992
2,500	2,500	15,282	12,782
15,000	133,580	119,879	(13,701)
-	-	-	-
100,700	174,600	185,396	10,796
<u>4,739,055</u>	<u>4,931,535</u>	<u>4,946,969</u>	<u>15,434</u>
<u>4,592,655</u>	<u>4,928,780</u>	<u>4,624,474</u>	<u>304,306</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
150,000	49,526	20,400	29,126
20,000	20,000	9,594	10,406
<u>170,000</u>	<u>69,526</u>	<u>29,994</u>	<u>39,532</u>
<u>4,762,655</u>	<u>4,998,306</u>	<u>4,654,468</u>	<u>343,838</u>
(23,600)	(66,771)	292,501	359,272
<u>-</u>	<u>(50,474)</u>	<u>(50,474)</u>	<u>-</u>
(23,600)	(117,245)	242,027	-
<u>23,600</u>	<u>117,245</u>	<u>809,312</u>	<u>692,067</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,051,339</u>	<u>\$ 1,051,339</u>

**City School District of New Rochelle, New York**

Special Purpose Fund  
Comparative Balance Sheet  
June 30,

---

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 342,206	\$ 275,162
Receivables		
Accounts	-	35,607
Due from other funds	-	150
	<u>-</u>	<u>35,757</u>
Total Assets	<u>\$ 342,206</u>	<u>\$ 310,919</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 18	\$ -
Fund balance		
Restricted	<u>342,188</u>	<u>310,919</u>
Total Liabilities and Fund Balance	<u>\$ 342,206</u>	<u>\$ 310,919</u>

**City School District of New Rochelle, 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>
<b>REVENUES</b>		
Use of money and property	\$ 13	\$ 59
Miscellaneous	<u>46,381</u>	<u>17,732</u>
Total Revenues	46,394	17,791
<b>EXPENDITURES</b>		
Current		
Instruction	<u>15,125</u>	<u>15,881</u>
Excess of Revenues Over Expenditures	31,269	1,910
<b>FUND BALANCE</b>		
Beginning of Year	<u>310,919</u>	<u>309,009</u>
End of Year	<u>\$ 342,188</u>	<u>\$ 310,919</u>

**City School District of New Rochelle, New York**

Debt Service Fund  
Comparative Balance Sheet  
June 30,

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	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 785,959	\$ 783,477
Due from other funds	<u>230</u>	<u>34,994</u>
Total Assets	<u>\$ 786,189</u>	<u>\$ 818,471</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	<u>\$ 21,104</u>	<u>\$ 56,098</u>
Fund balance		
Restricted	502,710	262,373
Assigned	<u>262,375</u>	<u>500,000</u>
Total Fund Balance	<u>765,085</u>	<u>762,373</u>
Total Liabilities and Fund Balance	<u>\$ 786,189</u>	<u>\$ 818,471</u>

**City School District of New Rochelle, New York**

Debt Service Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended June 30,

	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>		
Use of money and property	\$ 2,712	\$ 2,736
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	2,712	2,736
<b>OTHER FINANCING USES</b>		
Transfers out	<u>-</u>	<u>(500,000)</u>
Net Change in Fund Balance	2,712	(497,264)
<b>FUND BALANCE</b>		
Beginning of Year	<u>762,373</u>	<u>1,259,637</u>
End of Year	<u>\$ 765,085</u>	<u>\$ 762,373</u>

**City School District of New Rochelle, New York**

Internal Service Fund - Workers' Compensation Benefits  
Comparative Statement of Net Position  
June 30,

---

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 465,371	\$ 605,609
Due from other funds	<u>2,787,407</u>	<u>2,818,440</u>
Total Assets	<u>3,252,778</u>	<u>3,424,049</u>
<b>LIABILITIES</b>		
Current liabilities		
Claims payable	1,549,811	1,116,774
Non-current liabilities		
Claims payable	<u>1,162,339</u>	<u>455,376</u>
Total Liabilities	<u>2,712,150</u>	<u>1,572,150</u>
<b>NET POSITION</b>		
Unrestricted	<u>\$ 540,628</u>	<u>\$ 1,851,899</u>



**City School District of New Rochelle, New York**

Internal Service Fund - Workers' Compensation Benefits  
Comparative Statement of Revenues, Expenses and  
Changes in Net Position  
Years Ended June 30,

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,110,000	\$ 1,082,327
<b>OPERATING EXPENSES</b>		
Employee benefits	<u>2,421,475</u>	<u>1,156,434</u>
Loss from Operations	(1,311,475)	(74,107)
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>204</u>	<u>316</u>
Change in Net Position	(1,311,271)	(73,791)
<b>NET POSITION</b>		
Beginning of Year	<u>1,851,899</u>	<u>1,925,690</u>
End of Year	<u>\$ 540,628</u>	<u>\$ 1,851,899</u>

**City School District of New Rochelle, New York**

Internal Service Fund - Workers' Compensation Benefits  
Comparative Statement of Cash Flows  
Years Ended June 30,

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from charges to other funds	\$ 1,141,033	\$ 1,172,902
Cash payments to insurance carriers and claimants	<u>(1,281,475)</u>	<u>(926,338)</u>
Net Cash from Operating Activities	(140,442)	246,564
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>204</u>	<u>316</u>
Net Change in Cash and Equivalents	(140,238)	246,880
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>605,609</u>	<u>358,729</u>
End of Year	<u>\$ 465,371</u>	<u>\$ 605,609</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (1,311,475)	\$ (74,107)
Adjustments to reconcile loss from operations to net cash from operating activities		
Changes in assets and liabilities		
Due from other funds	31,033	90,575
Claims payable	<u>1,140,000</u>	<u>230,096</u>
Net Cash from Operating Activities	<u>\$ (140,442)</u>	<u>\$ 246,564</u>

**City School District of New Rochelle, New York**

General Fund

Analysis of Change from Adopted Budget to Final Budget  
Year Ended June 30, 2015

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Adopted Budget	\$ 245,457,331
Additions - Encumbrances	<u>80,824</u>
Original Budget	245,538,155
Budget Amendments	<u>91,598</u>
Final Budget	<u><u>\$ 245,629,753</u></u>

General Fund

Section 1318 of Real Property Tax Law Limit Calculation

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2015-16 Expenditure Budget	\$ <u>250,121,473</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	
Unrestricted fund balance	
Assigned fund balance	2,374,232
Unassigned fund balance	<u>7,524,179</u>
Total Unrestricted Fund Balance	9,898,411
Less	
Encumbrances	<u>374,232</u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 9,524,179</u></u>
Actual Percentage	<u><u>3.81%</u></u>

**City School District of New Rochelle, New York**

Schedule of Net Investment in Capital Assets  
Year Ended June 30, 2015

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Capital Assets, net		\$ 105,880,443
Plus		
Unexpended debt proceeds	5,542,563	
Unamortized portion of loss on refunding bonds	<u>2,069,706</u>	7,612,269
Less		
Bonds payable - Capital construction	(45,220,000)	
Bond anticipation notes	(815,000)	
Energy performance contract	(14,030,310)	
Unamortized portion of issuance premium	<u>(2,393,811)</u>	<u>(62,459,121)</u>
Net Investment in Capital Assets		<u>\$ 51,033,591</u>

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

**Independent Auditors' Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City School District of New Rochelle, New York ("School District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 21, 2015.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

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

## **Purpose of this Report**

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

*O'Connor Davies, LLP*

**O'Connor Davies, LLP**

Harrison, New York

October 21, 2015

**Report on Compliance For Each Major Federal Program and  
Report on Internal Control Over Compliance****Independent Auditors' Report**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City School District of New Rochelle, New York's ("School District") 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 School District's major federal programs for the year ended June 30, 2015. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the 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 School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

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

### **Report on Internal Control Over Compliance**

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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

October 21, 2015



**City School District of New Rochelle, 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 Agriculture</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Child Nutrition Cluster</i>		
School Breakfast Program	10.553	\$ 222,568
National School Lunch Program - Commodities	10.555	246,039
National School Lunch Program - Cash	10.555	<u>1,785,920</u>
Subtotal Child Nutrition Cluster		2,254,527
Indirect Program - Passed through New York State Department of Health		
Child and Adult Care Food Program	10.558	<u>12,324</u>
Total U.S. Department of Agriculture		<u>2,266,851</u>
<u>National Aeronautics and Space Administration</u>		
Direct Program		
Education	43.008	<u>16,803</u>
<u>U.S. Department of Education</u>		
Indirect Programs - Passed through New York State Department of Education		
<i>Special Education Cluster - IDEA</i>		
Special Education - Grants to States (IDEA, Part B)	84.027	2,664,790
Special Education - Preschool Grants (IDEA Preschool)	84.173	<u>78,235</u>
Subtotal Special Education Cluster		2,743,025
Title I Programs - Local Educational Agencies	84.010	1,658,322
Education for Homeless Children and Youth	84.196	32,814
English Language Acquisition Grant	84.365	253,811
Improving Teacher Quality - State Grants	84.367	446,256
Race to the Top (ARRA) (2)	84.395	<u>1,069,775</u>
Total U.S. Department of Education		<u>6,204,003</u>
Total Expenditures of Federal Awards		<u>\$ 8,487,657</u>

(1) Catalog of Federal Domestic Assistance number.

(2) American Recovery and Reinvestment Act

The accompanying notes are an integral part of this schedule.

## City School District Of New Rochelle, New York

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

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### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City School District of New Rochelle, New York ("School District") 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 School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the School District.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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.

**City School District of New Rochelle, New York**

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

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

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

Yes  No  
 Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

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

Yes  No  
 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 OMB Circular A-133?

Yes  No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010  
84.365  
84.395

Title I Programs – Local Educational Agencies  
English Language Acquisition Grant  
Race to the Top (ARRA)

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

\$300,000

Auditee qualified as low-risk auditee?

Yes  No

**City School District of New Rochelle, New York**

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

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**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**City School District of New Rochelle, New York**

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

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None