

City of Yonkers Industrial Development Agency

Financial Statements

December 31, 2015 and 2014

Independent Auditors' Report

Board of Directors
City of Yonkers Industrial Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Yonkers Industrial Development Agency (the "Agency") which comprise the statements of net position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2015 and 2014, and the respective changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included as Required Supplementary Information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016 on our consideration of the Agency'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 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 Agency's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated March 17, 2016 on our consideration of the Agency's compliance with Section 2925(3)(f) of the New York State Public Authorities Law ("Law"). The purpose of that report is to describe the scope and results of our tests of compliance with the Law.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
March 17, 2016

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis December 31, 2015

The following Management's Discussion and Analysis ("MD&A") of the City of Yonkers Industrial Development Agency's ("YIDA") or (the "Agency") activities and financial performance is provided as an introduction and overview of the financial statements of YIDA for the year ended December 31, 2015. Following this MD&A are the annual financial statements of YIDA together with the notes which are important to understanding the data presented in the financial statements. This MD&A highlights certain supplementary information to assist with the understanding of the YIDA's financial operations.

Operations

YIDA is a public benefit corporation established by an act of the New York State Legislature in 1982, under Section 903 of the General Municipal Law. The Agency operates for the benefit of the City of Yonkers, New York (the "City") and its populace to accomplish any or all of the purposes specified in Title 1 of Article 18A. Specific powers and duties are conferred to the Agency with respect to the acquisition of real property, whether by purchase, condemnation or otherwise, within the corporate limits of the City. All of the local zoning and planning regulations, as well as the regional and local comprehensive land use plans, are taken into consideration to carry out the duties of the Agency.

Organized in a manner consistent with the statute, the Mayor of Yonkers appoints a seven member Board of Directors comprised of both public officials and business leaders. This Board governs the YIDA by establishing official policies and reviewing and approving requests for financial assistance. Operations and activities of the Agency, its members, officers and employees are carried out in accordance with State law.

YIDA's mission includes undertaking projects and programmatic initiatives in furtherance of and to advance the job opportunities, health, general prosperity and economic welfare of the people of the City and to improve their recreational opportunities, prosperity and standard of living. YIDA works to create economic development and job growth throughout the City by attracting new businesses, retaining existing ones and helping them all become more competitive in a global marketplace. The Agency accomplishes this mission by offering financial assistance in the form of Sales and Use Tax Exemptions, Mortgage Recording Tax Exemptions and Payment-In-Lieu-of-Tax agreements (PILOTs) and by facilitating the issuance of tax exempt Industrial Development Bonds (IDB's).

Fourteen applications were submitted and processed during the year and six projects closed.

Financial Operations Highlights

The financial statements for the years ended December 31, 2015 and 2014 are attached. The chart below provides a condensed summary of revenues and expenses for the current and prior year.

	<u>2015</u>	<u>2014</u>
Operating Revenues	\$ 1,811,735	\$ 1,458,145
Operating Expenses	816,916	1,289,278

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis
December 31, 2015

Financial Operations Highlights *(continued)*

Operating Revenues

Agency fees for 2015 were derived from 6 projects which closed as follows:

<u>Projects:</u>	
CCNA Realty	\$ 67,500
L&A Acquisitions	128,500
Yonkers Waterfront Properties	432,500
Norwich Yonkers	122,500
SDC Realty	127,500
Mill Creek	555,000

The Agency also received \$20,000 from the transfer of title fees from 2 entities.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

At December 31, 2015, the Agency had \$12,363,985 in assets, \$73,264 in deferred outflows of resources, \$2,837,417 in liabilities, \$63,403 in deferred inflows of resources and \$9,536,429 in net position. The largest component of the Agency's net position is its investment in capital assets (mainly the leasehold improvements transferred from the Yonkers Pier Development, Inc. and Subsidiary), less any related debt used to acquire those assets that is still outstanding. The net investment in capital assets totaled \$4,472,647. These assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Assets restricted for specific purposes amounted to \$3,101,190 have been restricted for educational purposes, Yonkers Pier activities and debt service. The balance of \$1,962,592 is unrestricted. Details of these amounts are provided in the Statement of Net Position.

Required Supplementary Information

The Schedule of the Agency's Proportionate Share of the Net Pension Liability, New York State and Local Employee's Retirement System is presented in accordance with the provisions of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

Supplementary Information

The Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired, Schedule of Straight-Lease Transactions and the Schedule of Payments in Lieu of Taxes is provided as supplementary information to the financial statements.

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis
December 31, 2015

New Operations

YIDA continues to coordinate with New Main Street Development Corporation ("NMSDC") to assist in acquiring properties needed for the day lighting of the Saw Mill River, a major Yonkers initiative. YIDA has agreements with NMSDC for acquisition costs. On August 16, 2013, YIDA, through eminent domain, was granted the petition to acquire title to 155 New Main Street for the condemnation of the property. After certain litigation, the property was acquired by NMSDC with the assistance of YIDA. The property was transferred over to the City of Yonkers on November 5, 2015 so that the redevelopment project is ready to proceed.

On October 26, 2015, the Yonkers Pier Development, Inc. and Subsidiary ("Corporation") was dissolved. All of the remaining assets and liabilities of the Corporation were transferred to the Agency (See Note 11 to the financial statements). The Agency will continue to receive license fee revenues and is also obligated to pay certain liabilities.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency finances. Questions and comments concerning any information provided in this report or requests for additional information should be addressed to the Executive Director, Yonkers Industrial Development Agency 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701.

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City of Yonkers Industrial Development Agency

Statements of Net Position

	December 31,	
	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 2,179,094	\$ 1,177,237
Accounts receivable	217,941	69,510
Prepaid expenses	16,181	23,180
Restricted cash	3,617,066	1,261,729
Capital assets, net	<u>6,333,703</u>	<u>747</u>
 Total Assets	 <u>12,363,985</u>	 <u>2,532,403</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>73,264</u>	<u>-</u>
LIABILITIES		
Accounts payable	86,800	40,773
Accrued expenses	156,227	117,628
Unearned revenue	6,500	-
Due to other entities	595,957	722,525
Non-current liabilities		
Loans payable, due within one year	137,455	-
Loans payable, due in more than one year	1,723,601	-
Net pension liability, due in more than one year	<u>130,877</u>	<u>-</u>
 Total Liabilities	 <u>2,837,417</u>	 <u>880,926</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>63,403</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	4,472,647	747
Restricted		
Educational purposes - Yonkers Racing Corporation	230,192	500,000
Yonkers Pier activities	365,446	-
Debt service	2,505,552	-
Unrestricted	<u>1,962,592</u>	<u>1,150,730</u>
 Total Net Position	 <u>\$ 9,536,429</u>	 <u>\$ 1,651,477</u>

See notes to financial statements

City of Yonkers Industrial Development Agency

Statements of Activities

Year Ended
December 31,

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Agency fees	\$ 1,453,500	\$ 1,338,537
Management administration fees	69,000	58,500
Application fees	8,400	9,000
Donated rent	117,303	22,500
License fee	148,750	-
Miscellaneous income	14,782	29,608
Total Operating Revenues	<u>1,811,735</u>	<u>1,458,145</u>
OPERATING EXPENSES		
Salaries	207,068	189,344
Payroll taxes and employee benefits	75,740	84,930
Rent	117,303	22,500
Consulting and professional fees	188,574	176,947
Advertising, printing and reproduction	79,884	85,687
Travel	6,111	6,663
Insurance	8,812	7,799
Conferences and meetings	2,867	5,170
Communications	22,637	23,755
Office supplies and other	16,027	12,283
Depreciation	91,893	4,200
Bad debts	-	670,000
Total Operating Expenses	<u>816,916</u>	<u>1,289,278</u>
Income from Operations	<u>994,819</u>	<u>168,867</u>
NON-OPERATING REVENUES (EXPENSES)		
Workforce investment grant income	1,031,161	1,247,617
Workforce investment grant expenses	(1,031,161)	(1,247,617)
Transaction settlement - Yonkers Racing Corporation	-	500,000
Yonkers Racing Corporation Grant expense	(269,808)	-
Transfer to New Main Street Development Corporation	(16,750)	-
Austin Avenue PILOT Settlement	-	960,000
Transfer from Yonkers Pier Development, Inc. and Subsidiary	4,820,338	-
Interest expense	(25,406)	-
Contribution of donated land	2,505,552	-
Total Non-Operating Revenues, net	<u>7,013,926</u>	<u>1,460,000</u>
Change in Net Position	<u>8,008,745</u>	<u>1,628,867</u>
NET POSITION		
Beginning of year, as reported	1,651,477	22,610
Change in accounting principle	<u>(123,793)</u>	-
Beginning of year, as restated	<u>1,527,684</u>	<u>22,610</u>
End of year	<u>\$ 9,536,429</u>	<u>\$ 1,651,477</u>

See notes to financial statements

City of Yonkers Industrial Development Agency

Statements of Cash Flows

	Year Ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from agency and other fees	\$ 1,877,304	\$ 1,485,667
Cash received for workforce grant	1,031,161	1,247,617
Cash payments for workforce employees	(1,031,161)	(1,247,617)
Cash payments for goods and services	(528,757)	(311,474)
Cash payments for salaries and benefits	(246,986)	(382,275)
Net Cash from Operating Activities	<u>1,101,561</u>	<u>791,918</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of equipment	-	(769)
Proceeds from sale of land	2,505,552	-
Repayment of loans payable	(71,680)	-
Interest paid	(25,406)	-
Net Cash from Capital and Related Financing Activities	<u>2,408,466</u>	<u>(769)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from transaction settlement - Yonkers Raceway Corporation	-	500,000
Payment for Yonkers Racing Corporation grant expense	(269,808)	-
Payment to New Main Street Development Corporation	(16,750)	-
Transfer from Yonkers Pier Development, Inc. and Subsidiary	133,725	-
Net Cash from Non-Capital Financing Activities	<u>(152,833)</u>	<u>500,000</u>
Net Change in Cash and Cash Equivalents	3,357,194	1,291,149
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>2,438,966</u>	<u>1,147,817</u>
End of year	<u>\$ 5,796,160</u>	<u>\$ 2,438,966</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 2,179,094	\$ 1,177,237
Restricted cash	<u>3,617,066</u>	<u>1,261,729</u>
Total Cash and Cash Equivalents	<u>\$ 5,796,160</u>	<u>\$ 2,438,966</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 994,819	\$ 168,867
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	91,893	4,200
Provision for bad debts	-	670,000
Changes in operating assets and liabilities		
Accounts receivable	59,069	100,740
Prepaid expenses	6,999	(2,859)
Deferred outflows of resources	(21,992)	-
Accounts payable	33,027	9,689
Accrued expenses	38,599	(108,001)
Unearned revenue	6,500	(4,000)
Due to other entities	(126,568)	(46,718)
Deferred inflows of resources	63,403	-
Net pension liability	<u>(44,188)</u>	<u>-</u>
Net Cash from Operating Activities	<u>\$ 1,101,561</u>	<u>\$ 791,918</u>
Non-cash Non-Capital Financing Activities		
Austin Avenue PILOT Settlement - Forgiveness of debt	<u>\$ -</u>	<u>\$ 960,000</u>

See notes to financial statements

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City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

1. Organization and Purpose

The City of Yonkers Industrial Development Agency ("YIDA") or (the "Agency") was created in 1982 as a public benefit corporation by the New York State Legislature under the provisions of Chapter 83 for the purpose of promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City of Yonkers, New York (the "City"). The Agency is exempt from Federal, State and local income taxes. The Agency, although supported by the City, is a separate entity and operates independently from the City. Members of the governing board are appointed by the Mayor of the City for specified terms.

2. Summary of Significant Accounting Policies

Financial Reporting Entity

The Agency has been identified as an organization related to the City. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, the Agency is not considered a component unit of the City.

Basis of Accounting

The accounting policies of the Agency conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In-Kind Contributions

Donated rent is recorded as revenue and expense at its estimated fair value.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in time deposit accounts, demand deposit accounts and certificates of deposit with original maturities of less than three months. Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The Agency has entered into a custodial agreement with its depository which holds its deposits. This agreement authorizes 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.

Custodial credit risk is the risk that in the event of a bank failure, the Agency'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 Agency's name. The Agency had a bank balance of \$291,607 that was not covered by depository insurance and was exposed to custodial credit risk at December 31, 2015.

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

Allowance for Uncollectible Receivables

Management provides for an allowance for uncollectible receivables based on a combination of write-off history, aging analysis and any specific known amounts.

Capitalization and Depreciation

Furniture and fixtures are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over an estimated useful life of seven years. Leasehold improvements are recorded at cost. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight line method. Costs incurred in relation to development of the project for interest, property taxes and insurance are capitalized only during periods in which activities necessary to prepare the property for its intended use are in progress. Expenditures for maintenance and repairs are charged to expense as incurred. The estimated service life of the leasehold improvements is 20 years.

Unearned Revenue

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the financial statements, unearned revenues consist of amounts received in advance. The Agency has reported unearned revenues of \$6,500 for administrative filing fees received in advance. Such amounts have been deemed to be measureable but not "available" pursuant to generally accepted accounting principles.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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) until then.

In addition to liabilities, the statement of net 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.

As of December 31, 2015, the Agency has 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 Agency's pension plan in Note 5.

Net Pension Liability (Asset)

The net pension liability (asset) represents the Agency's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System. The financial reporting of this amount is presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

Revenue Recognition

The Agency charges an agency, management administration or application fee based on the amount of financing for each project at a predetermined rate. All such agency, management administration and application fees are collected and recognized as revenue at closing.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net Investment in Capital Assets represents the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for educational purposes, activities of the Yonkers Pier and debt service. The balance is classified as unrestricted.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

2. Summary of Significant Accounting Policies (Continued)

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 March 17, 2016.

Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2015, the Agency 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 periods of employee service. As a result of adopting these standards, the Agency's financial statements reflect a cumulative effect for the change in accounting principle of \$123,793.

3. Restricted Cash

Restricted cash consists of funds held in escrow by the Agency for various projects and activities. Funds are released as authorized invoices are presented for payment or reimbursement. The balance of restricted cash at December 31 is as follows:

	2015	2014
Austin Avenue	\$ 13,722	\$ 13,722
Debt service – sale of donated land	2,505,552	-
Kubasek and Post	582,235	708,803
Yonkers Pier	204,448	-
Yonkers Racing Corporation	230,192	500,000
Workforce Investment Board	80,917	39,204
	<u>\$ 3,617,066</u>	<u>\$ 1,261,729</u>

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

4. Capital Assets

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

	Balance January 1, 2015	Transfer from Yonkers Pier Development, Inc. and Subsidiary	Contribution	Additions	Deletions	Balance December 31, 2015
Capital assets, not being depreciated						
Land	\$ -	\$ -	\$ 2,505,552	\$ -	\$ 2,505,552	\$ -
Capital assets, being depreciated						
Leasehold improvements	-	11,014,025	-	-	-	11,014,025
Furniture and fixtures	20,979	-	-	-	1,700	19,279
Total capital assets being depreciated	20,979	11,014,025	-	-	1,700	11,033,304
Less accumulated depreciation for						
Leasehold improvements	-	4,589,176	-	91,783	-	4,680,959
Furniture and fixtures	20,232	-	-	110	1,700	18,642
Total accumulated depreciation	20,232	4,589,176	-	91,893	1,700	4,699,601
Capital assets, net	\$ 747	\$ 6,424,849	\$ 2,505,552	\$ 91,893	\$ 2,505,552	\$ 6,333,703
	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014		
Capital assets, being depreciated						
Furniture and fixtures	\$ 24,475	\$ 769	\$ 4,265	\$ 20,979		
Less accumulated depreciation for						
Furniture and fixtures	20,297	4,200	4,265	20,232		
Capital assets, net	\$ 4,178	\$ 3,431	\$ -	\$ 747		

5. Long-Term Liabilities

The following table summarizes changes in the Agency's long-term liabilities for the year ended December 31, 2015:

	Balance January 1, 2015	Cumulative Effect of Change in Accounting Principle	Balance as Restated January 1, 2015	Yonkers Pier Development, Inc. and Subsidiary	Maturities and/or Payments and Other	Balance December 31, 2015	Due Within One Year
Loans payable	\$ -	\$ -	\$ -	\$ 1,932,736	\$ 71,680	\$ 1,861,056	\$ 137,455
Net pension liability	-	175,065	175,065	-	44,188	130,877	-
Long-Term Liabilities	\$ -	\$ 175,065	\$ 175,065	\$ 1,932,736	\$ 115,868	\$ 1,991,933	\$ 137,455

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

5. Long-Term Liabilities (Continued)

Loans Payable

Loans payable at December 31, 2015 are comprised of the following:

NDC New Markets Investments XXII, L.P.

The Agency took over a Lower Tier Note in October 2015. Interest only payments are required on a quarterly basis. Principal repayments began April 1, 2015 (August 1, 2015 for Note C), along with the quarterly interest payments, with any unpaid principal and interest due upon maturity. The loan bears interest at rates ranging from .31 to 3.1% depending on maturity. At December 31, 2015 aggregate annual debt maturities, excluding interest, are as follows:

2016	\$	25,000
2017		25,000
2018		50,000
2019		50,000
2020		50,000
2021-2025		400,000
2026-2027		<u>325,000</u>
	\$	<u>925,000</u>

New York Power Authority ("NYPA")

The terms of the loan provide for repayment over nine years in monthly installments of principal and interest. Interest is charged at .82%. The loan balance is carried by the New York Power Authority on the monthly energy bill for the City. The Agency pays the monthly installments of \$9,900 to the City for the application to the energy bill. At December 31, 2015 aggregate annual debt maturities, excluding interest, are as follows:

2016	\$	112,455
2017		113,052
2018		113,653
2019		114,257
2020		114,863
2021-2025		<u>367,776</u>
	\$	<u>936,056</u>

The NYPA loan and the Section 108 (Lower Tier-Note C) loan, in the amounts of \$982,736 and \$950,000, were transferred to the Agency as special obligations payable to the extent of and limited to sub license fees due from HCC Caterers, Inc.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

5. Long-Term Liabilities (Continued)

Pension Plans

Employees' Retirement System

The Agency and the Workforce Investment Board participate 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 Agency 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 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 2, 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. Contribution rates for the plan's year ending in 2016 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A15	18.6 %
5 A15	15.3
6 A15	10.4

At December 31, 2015, the Agency reported a liability of \$130,877 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 Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of the contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2015, the Agency's proportion was .0038741%. For this first year of implementation, the ERS reported no change in the allocation percentage measured as of March 31, 2014.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

5. Long-Term Liabilities (Continued)

For the year ended December 31, 2015, the Agency recognized pension expense of \$102,592. At December 31, 2015, the Agency reported deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,190	\$ -
Net difference between projected and actual earnings on pension plan investments	22,732	-
Changes in proportion and differences between Agency contributions and proportionate share of contributions	-	63,403
Agency contributions subsequent to the measurement date	<u>46,342</u>	<u>-</u>
	<u>\$ 73,264</u>	<u>\$ 63,403</u>

The amount of \$46,342 reported as deferred outflows of resources related to the ERS resulting from the Agency's 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 the ERS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	
2016	\$ 9,121
2017	9,121
2018	9,121
2019	9,118

The total pension liability at 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:

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

5. Long-Term Liabilities (Continued)

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, 2011 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 of 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 Standards of Practice ("ASOP") no. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

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

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

5. Long-Term Liabilities (Continued)

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

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Agency's proportionate share of the net pension liability (asset)	<u>\$ 872,349</u>	<u>\$ 130,877</u>	<u>\$ (495,110)</u>

The components of the current year net pension liability of the ERS as of March 31, 2015, were as follows:

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

Other Post Employment Benefit Obligations

The Agency does not provide healthcare benefits for retired employees.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

6. Operating Leases

The Agency is obligated under a non-cancelable operating lease for a vehicle with a lease term of 35 months that expires in September 2017. The monthly payments are \$436. Future minimum lease payments under such non-cancelable operating leases in excess of one year are payable as follows:

<u>Year Ending</u> <u>December 31,</u>		
2016	\$	5,271
2017		3,490

Lease expense included in operations under travel expenses was \$5,232 for the years ended December 31, 2015 and 2014.

7. Industrial Revenue Bonds and Notes and Straight-Lease Transactions

Certain industrial revenue bonds and notes issued by the Agency are secured by property which is leased to companies and are retired by lease payments. The bonds and notes are not obligations of the Agency, the City or the State of New York. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there-from are controlled by trustees or banks acting as fiscal agents. Trustees maintain the information for these bonds and notes and no default notices have been generated in the current year. For providing this service, the Agency receives bond administration fees from the borrowing companies. The fee received by the Agency is one percent of the bond amount. In addition, the Agency receives closing fees for straight-lease transactions of half of one percent of total project costs. Such administrative fee income is recognized immediately upon issuance of bonds and notes or closing on leases.

8. Related Parties

Yonkers Economic Development Corporation

The Yonkers Economic Development Corporation ("YEDC") was created in 2007 to provide certain taxable and tax exempt financial assistance on occasions where these incentives are no longer provided by the Agency or in instances where the Agency's ability to assist economic development projects has been significantly limited. YEDC's purpose of promoting the creation and preservation of employment opportunities is in line with the Agency's overall objectives and may deliver financial assistance in a more cost effective form through this federal exempt corporation under IRS Section 115. In addition, the debt issuances of YEDC will not be liabilities of the State of New York, the City or YIDA. YEDC is comprised of four of the seven YIDA board members. YEDC's CFO provided all financial support for YIDA in 2015 and 2014. A management agreement was in place for YEDC's CFO to provide financial services to YIDA. YIDA paid YEDC \$70,000 in management fees under the management agreement and this was included in operations under consulting and professional fees.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

9. Contingencies

Austin Avenue

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

At December 31, 2015 and 2014 there was \$13,722 in the remediation account. Remediation efforts have been completed but as of December 31, 2015, legal bills related to this work remain open. After YIDA has exhausted its funds set aside in the remediation account, it will request a payment from the City to satisfy any final legal bills, insurance costs and NYSDEC fees that are approved for payment; as of December 31, 2014, Morris Company confirmed that they did receive an empire zone refund for 2008 which should be in the amount of up to \$1,850,000 as such an additional payment is now required under the supplemental PILOT agreement. YIDA will work to collect the additional supplemental PILOT payment from the Morris Company which should be sufficient to cover any outstanding obligations in this matter and reimburse the City for environmental remediation costs thereby providing for no additional costs to the City. The Morris Company has served a notice of claim on the City and the Agency in an effort to influence how the limited remediation funds are spent. This matter is pending.

The YIDA and NYSDEC anticipate having a Certificate of Completion ("COC") for the site. The final engineering, environmental easement and monitoring reports are completed and have been signed by the Westchester County Industrial Development Agency ("WIDA") (property owner of the site) and submitted for final NYSDEC approval. Release of the COC will follow. The longstanding claim of YIDA for rent payments from the WIDA, payable to the City, and the claim of WIDA and the County of Westchester ("County") for certain PILOT payments payable to the County was settled with cross releases and without payment by either side. The Austin Avenue easement was recorded in March 2015. The Morris Company has made an offer to acquire portions of Austin Avenue with a closing expected by June 2016.

Litigation

The Agency is involved in litigation arising in the normal course of business. Management estimates that the matters will be resolved without material adverse effects on the Agency's future financial position or results from operations.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

9. Contingencies (Continued)

Kubasek and Post Road Housing Projects

YIDA supported two projects that resulted in the purchase and renovation of existing affordable housing stock - one family facility (Post Road) and one senior project (Kubasek).

YIDA has established replacement reserve accounts for capital improvements at both locations at a bank. These dedicated accounts closed with the following balances on December 31, 2015: \$70,315 on behalf of Post Road (the "Post Reserve") and \$163,663 on behalf of Kubasek (the "Kubasek Reserve") with the balance of \$348,257 being held in a separate account on behalf of Post Road and Kubasek (the "Agency Reserve Account").

The Austin Avenue and Kubasek and Post Road housing projects consist of the balance due to other entities in the amount of \$595,957. The details of the restricted cash related to these projects are disclosed in Note 3.

10. Donated Rent

The financial statements include revenue and corresponding expenses for donated rent for office space occupied by YIDA. Donated rent at December 31, 2015 and 2014, has been recorded at the estimated fair value of \$117,303 and \$22,500 for the office location at 470 Nepperhan Avenue.

11. Yonkers Pier Development, Inc. and Subsidiary ("Corporation") Dissolution

The Corporation signed Articles of Dissolution of the Yonkers Pier QALICB, LLC on May 31, 2015. The dissolution was authorized by the sole Member and was effective upon filing the Articles with the Secretary of the State. All other assets and liabilities of the Corporation were transferred to the Agency on October 26, 2015. The transfer to the Agency is itemized as follows:

Cash and equivalents	\$ 133,725
Accounts receivable	207,500
Leasehold improvements	11,014,025
Accumulated Depreciation	(4,589,176)
Accounts payable	(13,000)
Loans payable	<u>(1,932,736)</u>
Total transfer from the Corporation	<u>\$ 4,820,338</u>

The accounts receivable and accounts payable consist entirely of the sub license fees due from HCC Caterers, Inc. and audit fees. The NYPA loan and the Section 108 (Lower Tier – Note C) loan, in the amount of \$982,736 and \$950,000, were transferred to the Agency as special obligations payable to the extent of and limited to sub license fees due from HCC Caterers, Inc. The Corporation's other lower tier loans are considered forgiven.

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2015 and 2014

12. Risk Management

The Agency purchases conventional insurance coverage for directors and officers liability. The current policy reflects a limit of \$1 million per occurrence or \$1 million for the period of the policy. The Agency also purchased general liability insurance coverage for 470 Nepperhan Avenue, with policy limits of \$5 million per occurrence or \$5 million in the aggregate. The Agency also purchased general liability insurance coverage for 323 Sprain Road with policy limits of \$5 million per occurrence.

13. Workforce Investment Board

YIDA is established to advance the job opportunities, health, general prosperity and economic welfare and standard of living of the inhabitants of the City. To further its objectives of economic development, the YIDA Board approved and established a relationship with the Workforce Investment Board in May 2009. Its Chairman, as Mayor of the City, was designated as a grant recipient to create and implement workforce investment activities. Grant employees were hired to conduct activities to meet the objectives and are solely funded by grants. These grant employees receive employment benefits consistent with other YIDA employees to the extent that such benefits are reimbursable to YIDA. The activities related to the workforce grant are reported as non-operating revenues and expenses on the Statement of Activities.

14. Subsequent Event

In December 2015, the City of Yonkers Community Development Agency conveyed certain land to YIDA. At the same time, the land was sold for \$2,505,552. The conveyance had certain restrictions in that these funds be set aside to acquire the outstanding bank loan from Sterling National Bank (formerly known as Hudson Valley Bank) of \$2,629,000 currently reflected on the books and records of the YEDC related to the Larkin Garage. In February 2016, the Agency purchased the outstanding bank loan of \$2,629,000 from Sterling National Bank with a principal balance of \$2,505,552 and the balance representing accrued and unpaid interest. The \$2,629,000 was derived of proceeds from the sale of real property of \$2,505,552 and the balance of \$123,448 will be provided by the YEDC.

City of Yonkers Industrial Development Agency

Required Supplementary Information

December 31, 2015

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City of Yonkers Industrial Development Agency

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

	<u>2015</u>
Agency's proportion of the net pension liability (asset)	<u>0.0038741%</u>
Agency's proportionate share of the net pension liability (asset)	<u>\$ 130,877</u>
Agency's covered-employee payroll	<u>\$ 681,322</u>
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>19.21%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

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

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

City of Yonkers Industrial Development Agency

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

	<u>2015</u>
Contractually required contribution	\$ 83,895
Contributions in relation to the contractually required contribution	<u>(83,895)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Agency's covered-employee payroll	<u>\$ 751,107</u>
Contributions as a percentage of covered-employee payroll	<u>11.17%</u>

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

City of Yonkers Industrial Development Agency

Supplementary Information

December 31, 2015

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City of Yonkers Industrial Development Agency

Supplementary Information

Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired
December 31, 2015

Project	Date of Issue	Original Issue Value	Outstanding Balance at January 1, 2015	New Issues	Payments	Outstanding Balance at December 31, 2015
Consumer Union	December 2005	\$ 47,300,000	\$ 42,550,000	\$ -	\$ 1,300,000	\$ 41,250,000
St. Joseph's Medical Center	March 1998	28,500,000	5,900,000	-	2,300,000	3,600,000
Hudson Scenic Studios, Inc.	June 1999	4,130,000	2,390,000	-	420,000	1,970,000
Michael Malotz Skilled Nursing Pavilion	June 1999	15,000,000	9,940,000	-	9,940,000	-
Philipsburgh Hall Associates, L.P.	December 1999	2,800,000	1,370,000	-	45,000	1,325,000
St. John's Riverside - 2001 A	March 2001	16,690,000	15,040,000	-	485,000	14,555,000
St. John's Riverside - 2001 B	March 2001	6,235,000	5,615,000	-	180,000	5,435,000
Monastery Manor Association, L.P.	September 2005	9,020,000	8,280,000	-	205,000	8,075,000
Sacred Heart A	September 2006	7,475,000	6,620,000	-	165,000	6,455,000
Sacred Heart B	September 2006	1,900,000	420,000	-	220,000	200,000
Center of Family Services	January 2008	1,235,000	615,000	-	55,000	560,000
Jefferson Terrace - 2006 A	December 2006	3,600,000	3,423,332	-	33,402	3,389,930
Whitney Young - 2006 B	December 2006	17,155,000	13,720,000	-	295,000	13,425,000
JME Associates	May 2006	8,160,000	5,895,000	-	755,000	5,140,000
Salgra Realty	May 2006	3,840,000	2,770,000	-	175,000	2,595,000
Herriot Street Housing L.P. Project	March 2004	16,400,000	11,860,000	-	340,000	11,520,000
Main Street Lofts	December 2005	44,600,000	44,600,000	-	-	44,600,000
Sarah Lawrence College, Series A	Dec 2009	43,500,000	43,500,000	-	675,000	42,825,000
Sarah Lawrence College, Series B	Dec 2009	1,950,000	1,950,000	-	-	1,950,000
Total Indebtedness		\$ 279,490,000	\$ 226,458,332	\$ -	\$ 17,588,402	\$ 208,869,930

City of Yonkers Industrial Development Agency

Supplementary Information
Schedule of Straight-Lease Transactions Executed in 2015
December 31, 2015

Project	Project Address	Owner Address	Approximate Cost	Benefit (Sales Tax)	Benefit (Mortgage Tax)	Jobs at Location	Jobs to be Created	Jobs to be Retained
STRAIGHT LEASE TRANSACTIONS								
CCNA Realty	470 Nepperhan Avenue Yonkers, NY 10701	165 Wyndcliff Road, Scarsdale, NY 10583	\$ 13,500,000	\$ 335,000	108,000	32	3	25
L&A Acquisition	120 Odell Avenue Yonkers, NY 10704	120 Odell Avenue Yonkers, NY 10704	25,700,000	221,875	383,940	201	190	-
Yonkers Waterfront Properties LLC	At, or adjacent to 1 Alexander St, Dock St, Water St, Alexander St and Wells Ave	1455 East Putnam Ave, Old Greenwich, CT 06870	86,500,000	3,017,500	1,080,000	1	5	-
Norwich Yonkers LLC	5 Executive Boulevard Yonkers, NY	7300 West 110th St Suite 990 Overland Park KS 66210	24,500,000	670,000	324,000	-	50	-
SDC Realty	1086 Noth Broadway White Plains, NY	1250 Waters Place, Bronx, NY 10461	25,500,000	724,438	540,000	-	350	-
Mill Creek	Downtown Yonkers 9multiple locations)	225 Millburn Ave Suite 202, Millburn, NJ 07041	111,000,000	922,961 5,298,507	288,000 1,298,106	-	7	-
REFINANCINGS								
There were no refinancings in 2015								
SALES TAX EXTENSIONS								
555 Storage	555 Tuckahoe Road, Tuckahoe, NY	120 Old Post Road, Rye, NY 10580	653,250	Time Extension Approved	No additional benefit provided	-	-	75
Shreebalajee	92 Waverly Street Yonkers, NY 10701	108 Westminster Road Scarsdale, NY 10583	57,310	Time Extension Approved	No additional benefit provided	20	5	-
Brooks Shopping Center	Cross County Shopping Center	708 Third Avenue 28th Floor New York, NY 10017	6,666,500	Time Extension Approved	No additional benefit provided	2,596	2,737	68
OZ Moving and Storage	498 Nepperhan Avenue Yonkers, NY 10701	101 Lincoln Avenue Bronx, NY 10454	26,800	Time Extension Approved	No additional benefit provided	5	149	6
FC Yonkers	1 Ridgehill Yonkers, NY	1 Metro Tech North Brooklyn, NY 11201	14,633,000	Time Extension Approved	No additional benefit provided	1,621	1,912	455
Yonkers LW Hotel	7000 Mall Walk Yonkers, NY	8100 E. 22nd Street Bldg 500 Wichita, KS 67226	1,402,725	Time Extension Approved	No additional benefit provided	2	40	30
Fast Linen	945 Nepperhan Avenue Yonkers, NY 10701	945 Nepperhan Avenue Yonkers, NY 10701	40,666	Time Extension Approved	No additional benefit provided	18	31	21
The Plant Manor	1097 North Broadway Yonkers, NY 10701	31 West 11th Street Ste 8A, NYC 10011	167,500	Time Extension Approved	No additional benefit provided	2	2	-
Rising (Phase I)	2 Mill Street, 13, 27, 36, 38 Main Street Yonkers, NY 10701	3261 Broadway New York, NY 10027	184,250	Time Extension Approved	No additional benefit provided	-	-	45

City of Yonkers Industrial Development Agency

Supplementary Information
 Schedule of Payments in Lieu of Taxes
 December 31, 2015

Project	Total	City	County
104 Ashburton Ave - Greyston Bakery, Inc.	25,000	21,408	3,592
11-23 St. Casmir Avenue	15,000	12,858	2,142
326 Riverdale	115,927	99,744	16,183
86 Main Street	160,000	137,664	22,336
555 Storage	125,479	107,962	17,517
188 Warburton	10,000	8,604	1,396
Animal Specialty Center	136,140	117,138	19,002
Ashburton Avenue, LP	53,083	45,673	7,410
Austin Avenue / Morris Industries	375,000	120,000	255,000
Brooks Shopping Center, LLC	3,900,000	3,343,080	556,920
Cahokia	3,191	2,746	445
Central Ave Nissan (JME Assoc)	91,640	78,849	12,791
Chrysler formerly Central Ave Nissan (Salgra)	99,471	85,585	13,886
Collins I - Hudson Park Investors	1,250,000	1,071,500	178,500
Collins II	1,500,000	1,290,600	209,400
Consumers Union A and B	178,464	178,464	N/A
CR Riverdale / Hyatt Corporation (Five Star Premier)	704,432	604,086	100,346
Cromwell Towers	200,976	172,920	28,056
Croton Heights	65,000	55,926	9,074
Fast Linen	66,506	57,222	9,284
FC Yonkers (Ridge Hill)	4,708,905	4,040,106	668,799
FSG Yonkers LLC	110,632	95,190	15,442
Grant Park II	35,000	30,114	4,886
Herriot Street(Jackson Terrace) (Min.+Shelter Rent %)	85,232	72,984	12,248
Highland Senior Housing	144,700	124,500	20,200
Historic (Warburton Wells)	23,600	20,305	3,295
Honda	80,000	68,832	11,168
InStock Cabinets	126,163	108,551	17,612
Jefferson Terrace - Shelter Rent	173,649	149,003	24,646
Kimber Manufacturing	70,450	60,615	9,835
Kubasek Owners LLC	171,912	147,363	24,549
Macys	788,748	678,639	110,109
Main Street Lofts	374,112	321,135	52,977
Monastery Manor:(Min.+Shelter Rent %)	104,790	89,918	14,872
Mulford I, LP	2,000	1,721	279
OZ Moving & Storage	38,166	32,838	5,328
Parkledge Apartments	360,824	309,298	51,526

(Continued)

City of Yonkers Industrial Development Agency

Supplementary Information
 Schedule of Payments in Lieu of Taxes (Continued)
 December 31, 2015

Project	Total	City	County
Philipsburgh Hall Associates	100,469	86,444	14,025
Post Street	64,368	55,384	8,984
Riverview II Preservation LP	258,273	222,218	36,055
Rising	25,200	21,682	3,518
Sacred Heart (Min.+Shelter Rent %)	84,258	72,318	11,940
St. Casimirs, LP	76,491	65,813	10,678
Shreebalajee	49,703	42,765	6,938
SUMA Federal Credit Union	108,860	93,214	15,646
The Plant Manor/Alder Manor	75,000	64,530	10,470
Velocity at Greystone LLC	25,227	21,706	3,521
Vicky Inc.	11,632	10,009	1,623
Warburton Riverview Owners LLC	40,000	34,416	5,584
Westchester ALP	40,000	34,416	5,584
Whitney Young	122,987	105,818	17,169
Woodstock: (Min.+Shelter Rent %)	32,602	28,043	4,559
Yonkers Lodging Partners, LLC	107,100	92,149	14,951
Yonkers Racing Corporation	3,944,000	3,393,418	550,582

See Independent Auditors' Report



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

Independent Auditors' Report

**Board of Directors
City of Yonkers Industrial Development Agency**

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 City of Yonkers Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 17, 2016



**Independent Accountants' Report on Compliance with Section 2925(3)(f)
of the New York State Public Authorities Law**

**Board of Directors
City of Yonkers Industrial Development Agency**

We have examined the City of Yonkers Industrial Development Agency's (the "Agency") compliance with Section 2925(3)(f) of the New York State Public Authorities Law during the year ended December 31, 2015. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining on a test basis evidence supporting the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2015.

This report is intended solely for the information and use of management, the Board of Directors, officials of the Agency and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 17, 2016