

City of Yonkers Industrial Development Agency

Financial Statements

December 31, 2017 and 2016

City of Yonkers Industrial Development Agency

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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 ("Agency"), which comprise the statements of net position as of December 31, 2017 and 2016, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2017 and 2016, and the 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.

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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 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 schedules of indebtedness, straight-lease transactions executed in 2017 and payments in lieu of taxes, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018 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 the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 26, 2018

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis December 31, 2017

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, 2017. 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 the City 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 issuing tax exempt Industrial Development Bonds (IDB's).

Seven applications were submitted and processed during the year and eight projects closed.

Financial Operations Highlights

The financial statements for the years ended December 31, 2017 and 2016 are attached. The chart below provides a condensed summary of revenues and expenses for the current and prior year.

	<u>2017</u>	<u>2016</u>
Operating Revenues	\$ 1,931,522	\$ 1,957,128
Operating Expenses	1,568,173	1,355,051

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis
December 31, 2017

Financial Operations Highlights (continued)

Operating Revenues

Revenues for 2017 were derived from 8 projects and 6 refinances which closed as follows:

Projects:

CPG Phase III	\$ 209,896
RMS 1077 Warburton	116,250
Avalon Bay ATI	335,844
Tacos El Poblanos	1,725
705 Bronx River Road	152,500
411 Bronx River Road	75,000
Rivertides	84,371
Collins III	21,549

Refinances:

Yonkers Racing Corp	\$ 500,000
R&M Realty (Vicky)	9,500
Greyston Bakery	2,500
555 Storage	48,465
Adira	17,944
Main Street Lofts	2,500

Annual Management Fees:

Billable Projects	\$ 81,000
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License Fee:

Fees	\$ 255,000
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Application and Miscellaneous Fees:

\$ 17,478

Total: \$1,931,522

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

At December 31, 2017, the Agency had \$12,434,486 in assets (cash, restricted cash and loan receivable), \$213,214 in deferred outflows of resources (pension liabilities), \$2,266,546 in liabilities (accrued expenses, loans payable and pension liabilities), \$115,535 in deferred inflows of resources (pension liabilities) and \$10,265,619 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 \$3,645,675. 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

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis
December 31, 2017

Financial Operations Highlights *(continued)*

themselves cannot be used to liquidate these liabilities. Assets restricted for specific purposes amounted to \$715,030 and have been restricted for educational purposes (\$193,323) and Yonkers Pier activities (\$521,707). The balance of \$5,904,914 is unrestricted. Detailed 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 Schedules of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired, Straight-Lease Transactions and Payments in Lieu of Taxes is provided as supplementary information to the financial statements.

New Operations

There were no new operations to report in 2017 and 2016.

Request 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>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 3,782,519	\$ 3,164,283
Accounts receivable	200,907	209,520
Loan receivable	2,335,362	2,396,192
Interest receivable	34,576	35,477
Prepaid expenses	17,561	17,739
Restricted cash	830,184	924,658
Capital assets being depreciated, net	<u>5,233,377</u>	<u>5,782,892</u>
 Total Assets	 <u>12,434,486</u>	 <u>12,530,761</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts on pensions	<u>213,214</u>	<u>431,667</u>
LIABILITIES		
Accounts payable	102,563	64,602
Accrued expenses	190,884	191,588
Unearned revenue	1,000	11,000
Due to other entities	137,021	388,696
Non-current liabilities		
Loans payable, due within one year	162,433	136,372
Loans payable, due in more than one year	1,425,269	1,587,702
Net pension liability, due in more than one year	<u>247,376</u>	<u>418,278</u>
 Total Liabilities	 <u>2,266,546</u>	 <u>2,798,238</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts on pensions	<u>115,535</u>	<u>147,270</u>
NET POSITION		
Net investment in capital assets	3,645,675	4,058,818
Restricted		
Educational purposes - Yonkers Racing Corporation	193,323	213,432
Yonkers Pier activities	521,707	435,889
Unrestricted	<u>5,904,914</u>	<u>5,308,781</u>
 Total Net Position	 <u>\$ 10,265,619</u>	 <u>\$ 10,016,920</u>

See notes to financial statements

City of Yonkers Industrial Development Agency

Statements of Activities
Year Ended December 31,

	2017	2016
OPERATING REVENUES		
Agency and refinancing fees	\$ 1,578,044	\$ 1,542,996
Management administration fees	81,000	74,500
Application fees	5,400	4,200
Donated rent	-	41,858
License fee	255,000	255,000
Miscellaneous income	12,078	38,574
Total Operating Revenues	<u>1,931,522</u>	<u>1,957,128</u>
OPERATING EXPENSES		
Salaries	262,402	297,333
Payroll taxes and employee benefits	135,314	111,621
Rent	100,471	87,825
Consulting and professional fees	249,620	192,004
Advertising, printing and reproduction	217,498	51,703
Travel	4,746	6,866
Insurance	8,645	9,696
Conferences and meetings	8,120	3,921
Communications	23,751	20,840
Office supplies and other	6,147	22,431
Depreciation	551,459	550,811
Total Operating Expenses	<u>1,568,173</u>	<u>1,355,051</u>
Income from Operations	<u>363,349</u>	<u>602,077</u>
NON-OPERATING REVENUES (EXPENSES)		
Workforce investment grant income	1,121,512	1,028,974
Workforce investment grant expenses	(1,121,512)	(1,028,974)
Yonkers Racing Corporation Grant expense	(20,109)	(16,760)
Interest income	155,527	143,376
Interest expense	(32,809)	(30,943)
Transfer to Yonkers Community Development Agency	(217,259)	(217,259)
Total Non-Operating Expenses	<u>(114,650)</u>	<u>(121,586)</u>
Change in Net Position	248,699	480,491
NET POSITION		
Beginning of Year	<u>10,016,920</u>	<u>9,536,429</u>
End of year	<u>\$ 10,265,619</u>	<u>\$ 10,016,920</u>

See notes to financial statements

City of Yonkers Industrial Development Agency

Statements of Cash Flows
December 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from agency and other fees	\$ 1,930,135	\$ 1,970,049
Cash received from workforce grant	1,121,512	1,028,974
Cash payments for workforce employees	(1,121,512)	(1,028,974)
Cash payments for goods and services	(832,534)	(626,303)
Cash payments for salaries and benefits	(382,604)	(360,728)
Net Cash from Operating Activities	<u>714,997</u>	<u>983,018</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of equipment	(1,944)	-
Purchase of loan receivable	-	(2,396,192)
Repayment on loans receivable	60,830	-
Repayment of loans payable	(136,372)	(136,982)
Interest received	156,428	107,899
Interest paid	(32,809)	(30,943)
Net Cash from Capital and Related Financing Activities	<u>46,133</u>	<u>(2,456,218)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer to Yonkers Community Development Agency	(217,259)	(217,259)
Payment for Yonkers Racing Corporation grant expense	(20,109)	(16,760)
Net Cash from Non-Capital Financing Activities	<u>(237,368)</u>	<u>(234,019)</u>
Net Change in Cash and Equivalents	523,762	(1,707,219)
CASH AND EQUIVALENTS		
Beginning of year	4,088,941	5,796,160
End of year	<u>\$ 4,612,703</u>	<u>\$ 4,088,941</u>
RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and equivalents	\$ 3,782,519	\$ 3,164,283
Restricted cash	830,184	924,658
Total Cash and Equivalents	<u>\$ 4,612,703</u>	<u>\$ 4,088,941</u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income from operations	\$ 363,349	\$ 602,077
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	551,459	550,811
Changes in operating assets and liabilities		
Accounts receivable	8,613	8,421
Prepaid expenses	178	(1,558)
Deferred outflows of resources	218,453	(358,403)
Accounts payable	37,961	(22,198)
Accrued expenses	(704)	35,361
Unearned revenue	(10,000)	4,500
Due to other entities	(251,675)	(207,261)
Deferred inflows of resources	(31,735)	83,867
Net pension liability	(170,902)	287,401
Net Cash from Operating Activities	<u>\$ 714,997</u>	<u>\$ 983,018</u>

See notes to financial statements

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City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2017 and 2016

Note 1 - Organization and Purpose

The City of Yonkers Industrial Development Agency ("YIDA") or ("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 ("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.

Note 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.

In-Kind Contributions

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

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and 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.

The Agency's deposit and investment policies are governed by State statutes. The Agency 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 Agency is authorized to use demand deposits, time deposit accounts and certifications of deposit.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Agency follows the provisions of GASB Statement No. 72, "Fair Value Measurements and Application", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Agency does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the 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's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2017.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Agency does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Agency's investment policy limits the amount on deposit at each of its banking institutions.

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.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies (Continued)

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 \$1,000 and \$11,000 at December 31, 2017 and 2016 for administrative filing fees received in advance. 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 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, 2017 and 2016, 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 6.

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".

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 2 - Summary of Significant Accounting Policies *(Continued)*

Revenue Recognition

The Agency charges an agency, refinancing, 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 and activities of the Yonkers Pier. The balance is classified as unrestricted.

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, 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 expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 presentation. These reclassifications have had no effect on net position.

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 26, 2018.

Note 3 - Loan Receivable

The Agency has a loan receivable from the Yonkers Economic Development Corporation. In February 2016, the Agency purchased the outstanding bank loan from Sterling National Bank. The loan bears interest at the prime rate plus 2%, but in no event less than 6.5% for the period through August 2018, at which time the rate will be fixed at the greater of 6.5% or 2.5% in excess of the five-year Federal Home Loan Bank of New York Regular Fixed Advanced Rate, per annum. The principal balances outstanding at December 31, 2017 and 2016 were \$2,335,362 and \$2,396,192. Interest income was \$155,527 and \$143,376 for the years ended December 31, 2017 and 2016.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 4 - 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:

	<u>2017</u>	<u>2016</u>
Austin Avenue	\$ 13,722	\$ 13,722
Kubasek and Post	123,299	374,975
Yonkers Pier	489,772	314,065
Yonkers Racing Corporation	193,947	213,432
Workforce Investment Board	9,444	8,464
	<u>\$ 830,184</u>	<u>\$ 924,658</u>

Note 5 - Capital Assets

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

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Balance December 31, 2017</u>
Capital assets, being depreciated:			
Leasehold improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Furniture and fixtures	19,279	1,944	21,223
	<u>11,033,304</u>	<u>1,944</u>	<u>11,035,248</u>
Total capital assets being depreciated			
	<u>11,033,304</u>	<u>1,944</u>	<u>11,035,248</u>
Less accumulated depreciation for:			
Leasehold improvements	5,231,660	550,701	5,782,361
Furniture and fixtures	18,752	758	19,510
	<u>5,250,412</u>	<u>551,459</u>	<u>5,801,871</u>
Total accumulated depreciation			
	<u>5,250,412</u>	<u>551,459</u>	<u>5,801,871</u>
Capital assets, net	<u>\$ 5,782,892</u>	<u>\$ 549,515</u>	<u>\$ 5,233,377</u>

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 5 - Capital Assets (Continued)

	Balance January 1, 2016	Additions	Balance December 31, 2016
Capital assets, being depreciated:			
Leasehold improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Furniture and fixtures	19,279	-	19,279
 Total capital assets being depreciated	 11,033,304	 -	 11,033,304
Less accumulated depreciation for:			
Leasehold improvements	4,680,959	550,701	5,231,660
Furniture and fixtures	18,642	110	18,752
 Total accumulated depreciation	 4,699,601	 550,811	 5,250,412
 Capital assets, net	 \$ 6,333,703	 \$ 550,811	 \$ 5,782,892

Note 6 - Long-Term Liabilities

The following table summarizes changes in the Agency's long-term liabilities for the year ended December 31, 2017:

	Balance January 1, 2017	New Issues/ Additions	Maturities and/or Payments and Other	Balance December 31, 2017	Due Within One Year
Loans payable	\$1,724,074	\$ -	\$136,372	\$ 1,587,702	\$ 162,433
Net pension liability	418,278	-	170,902	247,376	-
 Long-Term Liabilities	 \$2,142,352	 \$ -	 \$307,274	 \$ 1,835,078	 \$ 162,433

Loans Payable

Loans payable are comprised of the following:

Section 108 Loan – Yonkers Pier

The Agency took over a Section 108 loan in October 2015. Principal repayments began April 1, 2015 (August 1, 2015 for Note C), along with 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, 2017 aggregate annual debt maturities, excluding interest, are as follows:

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 6 - Long-Term Liabilities (Continued)

2018	\$ 50,000
2019	50,000
2020	50,000
2021	50,000
2022	75,000
2023-2027	<u>600,000</u>
	<u>\$ 875,000</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 1.06%. The principal and interest requirement to NYPA is included in the monthly energy bill for the City. The Agency reimburses the City the monthly installments of \$9,954. At December 31, 2017 aggregate annual debt maturities, excluding interest, are as follows:

2018	\$ 112,433
2019	113,631
2020	114,841
2021	116,064
2022	117,301
2023-2024	<u>138,432</u>
	<u>\$ 712,702</u>

The NYPA loan and the Section 108 loan, in the original 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.

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

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 6 - Long-Term Liabilities (Continued)

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 March 31, 2017 and 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
2017	4 A15	15.8 %
	5 A15	13.0
	6 A15	9.2
2016	4 A15	15.8 %
	5 A15	13.0
	6 A15	9.2

At December 31, 2017 and 2016, the Agency reported a liability of \$247,376 and \$418,278 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2017 and 2016, 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 computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2017, the Agency's proportion was .0026327%, which was an increase of .0000267% from its proportion measured as of March 31, 2016.

For the years ended December 31, 2017 and 2016, the Agency recognized pension expense of \$47,642 and \$38,151. At December 31, 2017 and 2016, the Agency reported deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 6 - Long-Term Liabilities (Continued)

	2017	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,199	\$ 37,566
Changes of assumptions	84,513	-
Net difference between projected and actual earnings on pension plan investments	49,411	-
Changes in proportion and differences between Agency contributions and proportionate share of contributions	868	77,969
Agency contributions subsequent to the measurement date	<u>72,223</u>	<u>-</u>
	<u>\$ 213,214</u>	<u>\$ 115,535</u>
	2016	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,114	\$ 49,580
Changes of assumptions	111,542	-
Net difference between projected and actual earnings on pension plan investments	248,146	-
Changes in proportion and differences between Agency contributions and proportionate share of contributions	-	97,690
Agency contributions subsequent to the measurement date	<u>69,865</u>	<u>-</u>
	<u>\$ 431,667</u>	<u>\$ 147,270</u>

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 6 - Long-Term Liabilities (Continued)

The amount of \$72,223 reported as deferred outflows of resources related to 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

For Years Ending March 31,	
2018	\$ 16,448
2019	16,448
2020	27,725
2021	(35,165)

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

Inflation	2.5%
Salary scale	3.8%, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 ERS's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study of the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 6 - Long-Term Liabilities (Continued)

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

The discount rate used to calculate the total pension liability was 7.0%. 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 Agency's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>2017</u>		
	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Agency's proportionate share of the net pension liability (asset)	<u>\$ 790,071</u>	<u>\$ 247,376</u>	<u>\$ (211,471)</u>

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 6 - Long-Term Liabilities (Continued)

	<u>2016</u>		
	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Assumption</u>	<u>Increase</u>
	<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
Agency's proportionate share of the net pension liability (asset)	<u>\$ 943,187</u>	<u>\$ 418,278</u>	<u>\$ (25,247)</u>

The components of the current year net pension liability of ERS as of March 31, 2017, were as follows:

Total pension liability	\$ 177,400,586,000
ERS fiduciary net position	<u>168,004,363,000</u>
Employers' net pension liability	<u>\$ 9,396,223,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>94.7%</u>

Note 7 - Other Post Employment Benefit Obligations

The Agency does not provide healthcare benefits for retired employees.

Note 8 - Operating Leases

The Agency is obligated under a non-cancelable operating lease for a vehicle with a lease term of 35 months that expired in September 2017. Lease expense included in operations under travel expenses was \$4,745 and \$4,854 for the years ended December 31, 2017 and 2016.

Note 9 - 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.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2017 and 2016

Note 10 - 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.

Note 11 - Contingencies

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.

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. All physical work required by NYSDEC in the approved Remedial Action Plan has been completed as of December 31, 2017. The NYSDEC has issued a certificate of completion for the site. As of December 31, 2017 and 2016, all bills relating to this work were paid and the Agency's dedicated account for the Austin Avenue remediation held a balance of \$13,722 to pay any final legal bills, insurance costs and NYSDEC fees.

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 at a bank for capital improvements at both locations. These dedicated accounts closed with the following balances on December 31, 2017: \$70,458 on behalf of Post Road (the "Post Reserve") and \$52,051 on behalf of Kubasek (the "Kubasek Reserve") with the balance of \$790 being held in a separate account on behalf of Post Road and Kubasek (the "Agency Reserve Account").

Amounts due to other entities of \$137,021 and \$388,696 at December 31, 2017 and 2016 reflect balances for the Austin Avenue, Kubasek and Post Road housing projects. The details of the restricted cash related to these projects are disclosed in Note 4.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Concluded)
December 31, 2017 and 2016

Note 12 - Donated Rent and Rent Expense

The financial statements include revenue and corresponding expenses for donated rent for office space occupied by YIDA. Donated rent at December 31, 2016 was recorded at the estimated fair value \$41,858 for the office location at 470 Nepperhan Avenue. No donated rent was recorded at December 31, 2017.

The 2016 rent expense also included six months of rent at \$5,767 per month, as well as utilities expense of \$13,165. The use and occupancy agreement expired on December 31, 2016. YIDA no longer receives donated rent.

Note 13 - Risk Management

The Agency purchases conventional insurance coverage for directors and officers liability and employment practices liability in the combined form. The current policy reflects a combined limit of \$1 million per occurrence or \$1 million for the period of the policy.

Note 14 - 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.

City of Yonkers Industrial Development Agency

Required Supplementary Information

December 31, 2017

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>2017</u>	<u>2016 (2)</u>	<u>2015</u>
Agency's proportion of the net pension liability	<u>0.0026327%</u>	<u>0.0026060%</u>	<u>0.0038741%</u>
Agency's proportionate share of the net pension liability	<u>\$ 247,376</u>	<u>\$ 418,278</u>	<u>\$ 130,877</u>
Agency's covered payroll	<u>\$ 752,593</u>	<u>\$ 701,732</u>	<u>\$ 681,322</u>
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	<u>32.87%</u>	<u>59.61%</u>	<u>19.21%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.70%</u>	<u>90.70%</u>	<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*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report

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>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 93,154	\$ 84,656	\$ 83,895
Contributions in relation to the contractually required contribution	<u>(93,154)</u>	<u>(84,656)</u>	<u>(83,895)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency's covered payroll	<u>\$ 687,779</u>	<u>\$ 758,089</u>	<u>\$ 751,107</u>
Contributions as a percentage of covered payroll	<u>13.54%</u>	<u>11.17%</u>	<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*.

See independent auditors' report

City of Yonkers Industrial Development Agency

Supplementary Information

December 31, 2017

City of Yonkers Industrial Development Agency

Supplementary Information

Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired
December 31, 2017

Project	Date of Issue	Original Issue Value	Outstanding Balance at January 1, 2017	New Issues	Payments	Outstanding Balance at December 31, 2017
Consumer Union	December 2005	\$ 47,300,000	\$ 39,900,000	\$ -	\$ 1,400,000	\$ 38,500,000
St. Joseph's Medical Center	March 1998	7,100,000	3,000,000	-	700,000	2,300,000
Hudson Scenic Studios, Inc.	June 1999	6,360,000	1,525,000	-	475,000	1,050,000
Philipsburgh Hall Associates, L.P.	December 1999	1,325,000	1,275,000	-	1,275,000	-
St. John's Riverside - 2001 A	March 2001	16,690,000	14,035,000	-	555,000	13,480,000
St. John's Riverside - 2001 B	March 2001	6,235,000	5,240,000	-	205,000	5,035,000
Monastery Manor Association, L.P.	September 2005	9,500,000	7,860,000	-	225,000	7,635,000
Sacred Heart A	September 2006	6,455,000	6,285,000	-	180,000	6,105,000
Center of Family Services	January 2008	1,190,000	505,000	-	55,000	450,000
Jefferson Terrace - 2006 A	December 2006	4,400,000	3,354,485	-	37,612	3,316,873
Whitney Young - 2006 B	December 2006	17,155,000	13,110,000	-	330,000	12,780,000
Herriot Street Housing L.P. Project	March 2004	11,520,000	11,225,000	-	390,000	10,835,000
Main Street Lofts	December 2005	44,600,000	44,600,000	-	-	44,600,000
Sarah Lawrence College, Series A	May 2004	42,825,000	42,095,000	-	790,000	41,305,000
Sarah Lawrence College, Series B	May 2004	1,950,000	1,950,000	-	-	1,950,000
Total Indebtedness		\$ 224,605,000	\$ 195,959,485	\$ -	\$ 6,617,612	\$ 189,341,873

City of Yonkers Industrial Development Agency

Supplementary Information
 Schedule of Straight-Lease Transactions Executed in 2017
 December 31, 2017

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								
CPG Phase III	8 Cottage Place Gardens/209 Warburton Ave	744 Broadway, Albany NY 12207	\$ 41,979,194	\$ 1,845,113	\$ 305,118	-	3	31
RMS	1065 & 1073 Warburton Ave and 40 Harriman Ave (aka 1077 Warburton)	1 Landmark Square, Stamford, CT 06901	\$ 23,250,000	\$ 599,062	\$ 347,940	-	3	3
Avalon Bay ATI Site	78-91, 80-94, 37-145 Alexander St	1499 Post Road 2nd Fl, Fairfield, CT 06824	\$ 67,168,793	\$ 2,400,000	\$ -	-	8	8
Tacos El Poblano	200 New Main St & 122 Nepperhan Ave	200 New Main Street Yonkers, NY 10701	\$ 645,000	\$ 30,619	\$ 3,600	5	10	15
705 Bronx River Road	705 Bronx River Road	PO Box 9 Purchase NY 10577	\$ 30,500,000	\$ 958,500	\$ 486,000	-	2	2
411 Bronx River Road	411 Bronx River Road	PO Box 9 Purchase NY 10577	\$ 15,000,000	\$ 277,344	\$ 270,000	-	1	1
REFINANCINGS								
Yonkers Racing Corp	810 Central Avenue	810 Central Avenue	New Monies N/A	N/A	N/A	321	700	300
R&M Realty (Vicky)	244-248 South Broadway	224 Sweetbriar Place Paramus, NJ 07652	\$ 1,400,000	N/A	N/A	0	15	-
Greystone Bakery	104 Ashburton Ave	21 Park Ave Yonkers, NY 10703	\$ -	N/A	N/A	42	10	42
555 Storage	555 Tuckahoe Road	120 Old Post Road Rye, NY 10580	\$ 9,629,909	N/A	N/A	0	50	-
Adira	120 Odell Avenue	120 Odell Avenue	\$ 3,588,800	N/A	N/A	0	190	-
Main Street Lofts	66 Main Street	66 Main Street	\$ -	N/A	N/A	0	6	-
SALES TAX EXTENSIONS								
SDC Realty - Boyce Thompson	1086 North Broadway NY 10701	Yonkers, 1250 Waters Place Bronx, NY 10461	\$ 1,567,563	Time Extension Approved		0	255	0
Norwich	5 Executive Blvd. Yonkers, NY 10701	7300 West 110th Street Overland Park, KS 66210	\$ 710,000	Time Extension Approved		0	50	0
1175 Warburton Ave	1171-1183 Warburton Avenue Yonkers, NY	100 Summit Lake Drive Valhalla, NY	\$ 443,750	Time Extension Approved		-	2	2

(Continued)

City of Yonkers Industrial Development Agency

Supplementary Information
Schedule of Straight-Lease Transactions Executed in 2017 (Concluded)
December 31, 2017

Project	Project Address	Owner Address	Approximate Cost	Benefit (Sales Tax)	Benefit (Mortgage Tax)	Jobs at Location	Jobs to be Created	Jobs to be Retained
Cross County Shopping	Cross County Shopping Center	708 Third Avenue 28th Floor New York, NY 10017	\$ 11,940,979	Time Extension Approved		2,596	2,737	68
Leggiadro (Sussantacinque)	65 Main Street Yonkers, NY	8 West 36th St, 9th Floor New York, NY 10018	\$ 39,938	Time Extension Approved		2	10	2
Oz Moving & Storage	65 Main Street Yonkers, NY	8 West 36th St, 9th Floor New York, NY 10018	\$ 26,800	Time Extension Approved		0	150	0
Ridge Hill	1 Ridgehill Yonkers, NY	1 Metro Tech North Brooklyn, NY 11201	\$ 14,633,000	Time Extension Approved		1,621	1,912	455
Rising Development	2 Mill Street, 13, 27, 36, 38 Main Street Yonkers, NY 10701	3261 Broadway New York, NY 10027	\$ 184,250	Time Extension Approved		0	134	0
River Tides	1105-1135 Warburton Avenue Yonkers, NY 10701	100 Summit Lake Drive Valhalla, NY	\$ 3,199,384	Time Extension Approved		0	10	0
The Plant Manor	1097 North Broadway Yonkers, NY 10701	31 West 11th Street Ste 8A NYC 10011	\$ 167,500	Time Extension Approved		2	2	-
Thethi - 460 Nepperhan	460 Nepperhan Avenue Yonkers, NY 10701	470 Nepperhan Avenue, Yonkers, NY 10701	\$ 88,750	Time Extension Approved		-	3	2
CCNA Realty (470 Nepp)	470 Nepperhan Avenue, Yonkers, NY 10701	165 Wyndoliff Road Scarsdale, NY 10583	\$ 335,000	Time Extension Approved		TBD	TBD	TBD
SFC Water Grant Street	Water Grant Street Yonkers, NY 10701	6701 Democracy Blvd, Ste 500 Bethesda, MD 20817	\$ 5,000,000	Time Extension Approved		100	5432	100
FSG Yonkers Hotel	160 Corporate Blvd Yonkers, NY 10701	123 Tunxis Village Farmington, CT 06032	\$ 557,775	Time Extension Approved		0	40	0
Adira L&A Acquisitions	120 Odell Avenue Yonkers, NY 10701	120 Odell Avenue Yonkers, NY 10701	\$ 209,375	Time Extension Approved		0	190	0
Cintas	325 Corporate Blvd. Yonkers, NY 10701	6800 Cintas Blvd. Cincinnati, OH 45262	\$ 634,250	Time Extension Approved		0	78	82
555 Storage	555 Tuckahoe Road	120 Old Post Road Rye, NY 10580	\$ 653,250	Time Extension Approved		0	50	0

See Independent Auditors' Report

City of Yonkers Industrial Development Agency

Supplementary Information
 Schedule of Payments in Lieu of Taxes
 December 31, 2017

Project	Total	City	County
104 Ashburton Ave - Greyston Bakery, Inc.	\$ 25,000	\$ 21,745	\$ 3,255
11-23 St. Casmir Avenue	20,000	17,446	2,554
326 Riverdale	122,987	107,331	15,656
86 Main Street	58,339	58,339	-
188 Warburton	54,483	47,547	6,936
Ashburton Avenue, LP	53,083	46,326	6,757
Brooks Shopping Center, LLC	4,100,000	3,578,070	521,930
Cahokia	9,960	8,692	1,268
CCNA	58,961	51,455	7,506
Chrysler Jeep Salgra	35,103	26,981	8,122
Cintas	11,989	10,463	1,526
Collins I - Hudson Park Investors	1,067,613	928,610	139,003
Collins II	1,400,000	1,221,780	178,220
Collins III- Yonkers Waterfront	161,316	140,780	20,536
Consumers Union A	144,000	144,000	-
Consumers Union B	34,464	34,464	-
Cromwell Towers	208,182	181,680	26,502
Croton Heights	1,000	873	127
Fast Linen	66,506	57,847	8,659
Fast Linen	66,506	58,040	8,466
FC Yonkers (Ridge Hill)	5,291,297	4,612,360	678,937
FSG Yonkers LLC	488,211	426,078	62,133
Grant Park II	35,000	30,545	4,455
Grant Park II Shelter Rent	2,990	2,608	382
Herriot Street(Jackson Terrace)	70,000	61,089	8,911
Herriot Street(Jackson Terrace) Shelter Rent	16,300	14,178	2,122
Highland Senior Housing	149,467	130,440	19,027
Historic (Warburton Wells)	24,900	21,658	3,242
InStock Cabinets	126,163	110,102	16,061
JME Assoc. Central Ave Nissan	28,332	21,775	6,557
Jefferson Terrace - Shelter Rent	34,086	29,648	4,438
Jefferson Terrace - Min	75,000	65,453	9,547
Kimber Manufacturing	117,783	102,789	14,994
406 Walnut/Kubasek Owners LLC	218,125	190,270	27,855
L&A Acquisitions/Adira	62,801	54,781	8,020
L&A Acquisitions/Adira	351,368	306,639	44,729
Leggiadro/Sessantacinque	24,436	21,325	3,111
Macys	993,305	866,857	126,448
Main Street Lofts	459,000	400,080	58,920
Millcreek	124,227	108,413	15,814
Monastery Manor:(Min.+Shelter Rent %)	70,348	61,381	8,967
Mulford I, LP	2,000	1,745	255
Norwich	225,133	196,474	28,659
OZ Moving and Storage	66,431	57,974	8,457
555 Storage	208,027	181,545	26,482

(Continued)

City of Yonkers Industrial Development Agency

Supplementary Information
 Schedule of Payments in Lieu of Taxes (Concluded)
 December 31, 2017

Project	Total	City	County
Parkledge Apartments	\$ 379,091	\$ 330,681	\$ 48,410
Philipsburgh Hall Associates	462,279	405,174	57,105
Plant Manor	75,000	65,235	9,765
Plant Manor	102,576	89,518	13,058
Post Street	66,362	57,916	8,446
P.S. 6 Shelter Rent	121,497	106,030	15,467
RiverTides	76,475	66,731	9,744
Riverview II Preservation LP	274,002	239,122	34,880
Rising	40,871	35,406	5,465
Sacred Heart (Min.+Shelter Rent %)	55,607	48,522	7,085
St. Casimirs, LP	78,786	68,528	10,258
Shreebalajee	50,349	43,794	6,555
Shreebalajee	52,358	45,693	6,665
St. Casimirs, LP	81,149	70,819	10,330
SUMA Federal Credit Union	73,195	63,880	9,315
Thethi 460 Nepperhan	46,803	40,845	5,958
Vicky Inc.	2,247	1,933	314
Vicky Inc.	21,314	18,601	2,713
Warburton Riverview Owners LLC	45,000	39,272	5,728
Warburton Wells Historic	25,600	22,341	3,259
Westchester ALP 1	40,800	35,606	5,194
Westchester ALP 2	9,200	8,029	1,171
Whitney Young	130,477	113,867	16,610
Woodstock: (Min.+Shelter Rent %)	33,050	28,841	4,209
Yonkers Lodging Partners, LLC	559,503	488,278	71,225
Yonkers Racing Corporation	4,552,429	3,972,905	579,524

See independent auditors' report

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

Independent Auditors' Report

**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 ("Agency") which comprise the statement of net position as of December 31, 2017 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2018.

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 Agency'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 26, 2018