

# **City of Yonkers Industrial Development Agency**

Financial Statements  
and Supplementary Information  
With Report of Independent Auditors

December 31, 2022 and 2021



# City of Yonkers Industrial Development Agency

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## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the City of Yonkers Industrial Development Agency ("Agency") as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2022 and 2021 and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, 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.

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

Management is responsible for the other supplementary information included in the annual financial report. The other supplementary information consists of the Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired, Schedule of Straight-Lease Transactions Executed in 2022 and the Schedule of Payments in Lieu of Taxes but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 28, 2023

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## City of Yonkers Industrial Development Agency

### Management's Discussion and Analysis December 31, 2022

The following Management's Discussion and Analysis ("MD&A") of the City of Yonkers Industrial Development Agency's ("YIDA") or ("Agency") activities and financial performance is provided as an introduction and overview of the financial statements of YIDA for the year ended December 31, 2022. Management's Discussion and Analysis is Required Supplementary Information specified in the Government Accounting Standards Board ("GASB") Statement No. 34. Following this MD&A are the annual financial statements of YIDA together with the notes to financial statements 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 ("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 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").

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

#### **Financial Operations Highlights**

The financial statements for the years ended December 31, 2022 and 2021 are attached. The chart below provides a condensed summary of revenues and expenses for the current and prior year.

	<u>2022</u>	<u>2021</u>
Operating Revenues	\$ 1,380,167	\$ 3,487,950
Operating Expenses	1,914,811	2,374,136

## City of Yonkers Industrial Development Agency

Management's Discussion and Analysis  
December 31, 2022

### **Financial Operations Highlights** *(continued)*

#### ***Operating Revenues***

Revenues for 2022 were derived from 4 projects and as follows:

##### **Project Agency Fees:**

1. Horizon @ Ridge Hill	378,426
2. KCT - Cubesmart	91,545
3. 1969 Central Park Ave	78,840
4. Yonkers Joint School Construction Board	<u>462,400</u>
	<b>\$ 1,011,211</b>

##### **Other Agency Fees:**

Transfer of Title/Ownership Fees	10,000
Subordination Fees	2,500
Termination Fees	5,000
Refinance Fees	5,000
Amendment Fees	<u>1,749</u>
	<b>\$ 24,249</b>

##### **Annual Management Fees:**

Billable Projects	75,000
Larkin Management Fees	<u>80,000</u>
	<b>\$155,000</b>

##### **Application Fees (8):**

	<b>\$ 4,800</b>
1. 1969 Central Park Ave	
2. St. Clair Development	
3. Warburton Apartments	
4. Plant Manor	
5. Wheeler Block	
6. Mary the Queen	
7. Whitney Young Manor	
8. Vineyard Holdings	

##### **License Fee:**

Pier Lease	<b>\$ 169,749</b>
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##### **Miscellaneous Income:**

**\$ 15,158**

**Total: \$ 1,380,167**

# City of Yonkers Industrial Development Agency

## Management's Discussion and Analysis

December 31, 2022

### **Financial Operations Highlights** *(continued)*

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

At December 31, 2022, the Agency had \$8,138,047 in assets (cash, restricted cash, receivables, prepaid expenses, loan receivable and capital assets, etc.), \$460,206 in deferred outflows of resources, \$1,302,685 in liabilities (accounts payable and accrued expenses, loan payables, pension liability, etc.), \$858,361 in deferred inflows of resources and \$6,437,207 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 \$1,723,763. 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 \$200,210 for the Yonkers Pier activities. The balance of \$4,513,234 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*" - An amendment of GASB Statement No. 68.

#### ***Supplementary Information***

The Schedules of Indebtedness - Bonds and Notes, Straight-Lease Transactions and Payments in Lieu of Taxes is provided as supplementary information to the financial statements.

### **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 Chief Fiscal Officer, Yonkers Industrial Development Agency, 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701.

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# City of Yonkers Industrial Development Agency

## Comparative Statement of Net Position December 31,

	2022	2021
<b>ASSETS</b>		
Cash and equivalents	\$ 4,779,542	\$ 4,719,399
Accounts receivable, net of allowance for uncollectible amounts of \$96,250 at December 31, 2022 and 2021	146,450	150,733
Loan receivable, net of allowance for uncollectible amounts of \$2,746,758 at December 31, 2022 and \$2,708,470 at December 31, 2021 (Note 3)	-	-
Prepaid expenses	-	9,229
Lease receivable	173,077	-
Restricted cash	359,564	355,435
	<u>5,458,633</u>	<u>5,234,796</u>
Non-current assets		
Emergency Disaster Relief Program loans receivable	-	243,208
Net pension asset - ERS	200,851	-
Capital assets being depreciated, net	2,478,563	3,031,223
Total Non-Current Assets	<u>2,679,414</u>	<u>3,274,431</u>
Total Assets	<u>8,138,047</u>	<u>8,509,227</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>460,206</u>	<u>542,818</u>
<b>LIABILITIES</b>		
Accounts payable	113,102	76,493
Accrued expenses	271,996	256,330
Escrow deposits	126,882	126,825
Due to other entities	35,905	69,893
Non-current liabilities		
Loans payable, due within one year	208,416	195,203
Loans payable, due in more than one year	546,384	744,522
Net pension liability	-	2,189
Total Liabilities	<u>1,302,685</u>	<u>1,471,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Lease related	169,748	-
Pension related	<u>688,613</u>	<u>647,989</u>
	<u>858,361</u>	<u>647,989</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,723,763	2,091,498
Restricted		
Yonkers Pier activities	200,210	100,621
Unrestricted	<u>4,513,234</u>	<u>4,740,482</u>
Total Net Position	<u>\$ 6,437,207</u>	<u>\$ 6,932,601</u>

See notes to financial statements

# City of Yonkers Industrial Development Agency

## Comparative Statement of Activities Year Ended December 31,

	2022	2021
<b>OPERATING REVENUES</b>		
Agency and refinancing fees	\$ 1,035,460	\$ 2,363,119
Contribution from City of Yonkers	-	840,436
Management administration fees	155,000	159,000
Application fees	4,800	3,600
License fee	169,749	120,000
Miscellaneous income	15,158	1,795
Total Operating Revenues	1,380,167	3,487,950
<b>OPERATING EXPENSES</b>		
Salaries	438,300	435,485
Payroll taxes and employee benefits	99,348	64,581
Rent	147,050	137,850
Consulting and professional fees	266,245	961,128
Advertising, printing and reproduction	329,634	178,217
Travel	5,902	5,036
Insurance	5,223	5,213
Conferences and meetings	6,224	4,385
Communications	36,192	19,497
Office supplies and other	10,241	9,998
Depreciation	552,660	552,746
Emergency disaster relief grants	17,792	-
Total Operating Expenses	1,914,811	2,374,136
Income (Loss) from Operations	(534,644)	1,113,814
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Workforce investment grant income	1,285,724	1,446,810
Workforce investment grant expenses	(1,285,724)	(1,446,810)
Interest income	64,875	9,816
Interest expense	(25,625)	(31,220)
Total Non-Operating Revenues (Expenses), net	39,250	(21,404)
Change in Net Position	(495,394)	1,092,410
<b>NET POSITION</b>		
Beginning of Year	6,932,601	5,840,191
End of Year	\$ 6,437,207	\$ 6,932,601

See notes to financial statements

# City of Yonkers Industrial Development Agency

## Comparative Statements of Cash Flows Year Ended December 31,

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from agency and other fees	\$ 1,381,178	\$ 2,693,188
Cash received from City of Yonkers	-	840,436
Cash received from workforce grant	1,285,724	1,446,810
Cash payments for workforce employees	(1,285,724)	(1,446,810)
Cash payments for goods and services	(812,653)	(1,400,601)
Cash payments for salaries and benefits	(601,786)	(528,374)
Net Cash from Operating Activities	(33,261)	1,604,649
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of equipment	-	(1,210)
Repayment of loans payable	(184,925)	(166,544)
Repayment of Emergency Disaster Relief Program loans	243,208	115,292
Interest paid	(25,625)	(31,220)
Net Cash from Capital and Related Financing Activities	32,658	(83,682)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	64,875	9,816
Net Change in Cash and Equivalents	64,272	1,530,783
<b>CASH AND EQUIVALENTS</b>		
Beginning of year	5,074,834	3,544,051
End of year	\$ 5,139,106	\$ 5,074,834
<b>RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash and equivalents	\$ 4,779,542	\$ 4,719,399
Restricted cash	359,564	355,435
Total Cash and Equivalents	\$ 5,139,106	\$ 5,074,834
<b>RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income (Loss) from operations	\$ (534,644)	\$ 1,113,814
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation	552,660	552,746
Accounts receivable	4,283	(81,151)
Lease receivable	(173,077)	-
Prepaid expenses	9,229	-
Deferred outflows of resources	82,612	(112,570)
Accounts payable	36,609	(85,427)
Accrued expenses	15,666	37,585
Escrow deposits	57	126,825
Due to other entities	(33,988)	6,150
Deferred inflows of resources	210,372	618,387
Net pension liability (asset)	(203,040)	(571,710)
Net Cash from Operating Activities	\$ (33,261)	\$ 1,604,649

See notes to financial statements

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## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2022 and 2021

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### **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.

### **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 Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 35"*, the Agency is not considered a component unit of the City.

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

#### **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.

The Agency distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operation. The principal operating revenues of the Agency are agency, refinancing, application, license and management and administrative fees. Operating expenses include salaries, depreciation, contractual costs and professional fees. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

#### **Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The 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 certificates of deposit.

Collateral is required for these deposits at 102% 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.

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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### **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 Measurement and Application"*, which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted 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 entity 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, *"Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the 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, 2022 and 2021.

**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 an entity'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. (See Note 3).

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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

#### **Capitalization and Depreciation**

Furniture and fixtures are recorded 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.

#### **Escrow Deposits**

Escrow deposits represent security deposits for Payments in Lieu of Tax ("PILOT") agreements and represent one year of the executed PILOT payment. These payments are to increase each year as the PILOT progresses to "full taxes". The funds must be deposited into a separate interest-bearing account. At the end of the PILOT agreement, the funds are to be returned to the respective companies along with any interest earned as long as such companies have not defaulted on the PILOT agreement. The Agency has reported escrow deposits of \$126,882 and \$126,825 as of December 31, 2022 and 2021.

#### **Deferred Outflows/Inflows of Resources**

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

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

As of December 31, 2022 and 2021, 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 8.

The Agency also reported deferred inflows of resources of \$688,613 in relation to a lease of the Agency. This amount is being deferred and amortized over the life of the lease.

#### **Lease Receivable**

The Agency is a lessor for a noncancellable lease of rental space. The Agency recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the Agency initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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

commence date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Agency determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease-term, and (3) lease receipts.

- The Agency uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Agency monitors changes in circumstances that would require measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### **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*" - An Amendment of GASB Statement No. 68".

### **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 and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

*Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Agency includes restricted for activities of the Yonkers Pier.

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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

*Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

#### **Use of Estimates**

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

#### **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 28, 2023.

### **Note 3 - Loan Receivable**

Loan receivable at December 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Yonkers Larkin Garage, Inc.	\$ 2,629,000	\$ 2,629,000
Accrued Interest	117,758	79,470
Allowance for uncollectible amounts	<u>(2,746,758)</u>	<u>(2,708,470)</u>
	<u>\$ -</u>	<u>\$ -</u>

Prior to 2018, the Agency had a loan receivable from the Yonkers Economic Development Corporation ("YEDC"). Simultaneously, the YEDC had a loan receivable from Yonkers Larkin Garage, Inc. ("YLG"). During 2018, the governing boards of the Agency and the YEDC agreed to have the YEDC assign its loan receivable from YLG of \$2,629,000 to the Agency in satisfaction of its loan that was in part used to finance the construction of the garage. The loan bears interest at 6.5%. The amounts owed by the YEDC are deemed satisfied and the Agency is due amounts from YLG based on available cash flows from that garage's operations. Since the YLG has not been profitable since inception, it was determined that an allowance should be recorded to reflect the uncertainty of future collection of the loan and accrued interest. There was no interest income on this obligation for the years ended December 31, 2022 and 2021.

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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### **Note 4 - Emergency Disaster Relief Program Loans Receivable**

In 2020, the Agency provided loans to various organizations located in the City of Yonkers, New York under the City of Yonkers Industrial Development Agency Emergency Relief Program. The loans were made to address the outbreak of novel coronavirus, COVID-19. The loans were made in accordance with Chapter 109 of the Laws of 2020 which allows industrial development agencies to make loans to small businesses and not-for-profit organizations up to \$25,000 with certain considerations. The borrowers agree to repay the loans, interest-free, within a year of the expiration of the grace period. The grace period is a sixty-day period after the State disaster emergency ends. The balance of the loans receivable at December 31, 2022 and 2021 was \$ - and \$243,208.

### **Note 5 - 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:

	2022	2021
Austin Avenue	\$ 5	\$ 13,722
Yonkers Pier	208,247	119,556
Transaction Counsel Escrow	-	28,250
Workforce Investment Board	24,430	67,082
Escrow Deposits - Payment in Lieu of Tax Agreements	126,882	126,825
	<u>\$ 359,564</u>	<u>\$ 355,435</u>

### **Note 6 - Lease Receivable**

The Agency leases rental space. The lease is for twenty-four months and the Agency will receive monthly payments of \$15,000. The Agency recognized \$169,748 in lease revenue recorded as license fee and \$13,580 in interest revenue during the current fiscal year related to this lease. As of December 31, 2022, the Agency's receivable for lease payments was \$173,077. Also, the Agency has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources was \$169,748.

# City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

## **Note 7 - Capital Assets**

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

	Balance January 1, 2022	Additions	Balance December 31, 2022
Capital assets, being depreciated:			
Leasehold improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Furniture and fixtures	27,099	-	27,099
Total capital assets being depreciated	11,041,124	-	11,041,124
Less accumulated depreciation for:			
Leasehold improvements	7,985,165	550,701	8,535,866
Furniture and fixtures	24,736	1,959	26,695
Total accumulated depreciation	8,009,901	552,660	8,562,561
Capital assets, net	<u>\$ 3,031,223</u>	<u>\$ 552,660</u>	<u>\$ 2,478,563</u>
	Balance January 1, 2021	Additions	Balance December 31, 2021
Capital assets, being depreciated:			
Leasehold improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Furniture and fixtures	25,889	1,210	27,099
Total capital assets being depreciated	11,039,914	1,210	11,041,124
Less accumulated depreciation for:			
Leasehold improvements	7,434,464	550,701	7,985,165
Furniture and fixtures	22,691	2,045	24,736
Total accumulated depreciation	7,457,155	552,746	8,009,901
Capital assets, net	<u>\$ 3,582,759</u>	<u>\$ 551,536</u>	<u>\$ 3,031,223</u>

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

### **Note 8 - Long-Term Liabilities**

The following table summarizes changes in the Agency's long-term liabilities for the year ended December 31, 2022:

	Balance January 1, 2022	New Issues/ Additions	Maturities and/or Payments and Other	Balance December 31, 2022	Due Within One Year
Loans payable	\$ 939,725	\$ -	\$ 184,925	\$ 754,800	\$ 208,416
Net Pension Liability- ERS	2,189	-	2,189	-	-
Long-Term Liabilities	<u>\$ 941,914</u>	<u>\$ -</u>	<u>\$ 187,114</u>	<u>\$ 754,800</u>	<u>\$ 208,416</u>

	Balance January 1, 2021	New Issues/ Additions	Maturities and/or Payments and Other	Balance December 31, 2021	Due Within One Year
Loans payable	\$ 1,106,269	\$ -	\$ 166,544	\$ 939,725	\$ 195,203
Net Pension Liability- ERS	573,899	-	571,710	2,189	-
Long-Term Liabilities	<u>\$ 1,680,168</u>	<u>\$ -</u>	<u>\$ 738,254</u>	<u>\$ 941,914</u>	<u>\$ 195,203</u>

### **Loans Payable**

Loans payable are comprised of the following:

#### *Section 108 Loan - Yonkers Pier*

The Agency took over a Section 108 loan in 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, 2022 aggregate annual debt maturities, excluding interest, are as follows:

2023	\$ 75,000
2024	100,000
2025	100,000
2026	150,000
2027	175,000
	<u>\$ 600,000</u>



## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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### **Note 8 - Long-Term Liabilities (Continued)**

#### *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 2.92%. 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 \$10,503. At December 31, 2022 aggregate annual debt maturities, excluding interest, are as follows:

2023	\$	133,416
2024		<u>21,384</u>
	\$	<u>154,800</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 Plan**

#### *New York State and Local 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 fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The 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/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The 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 2022 and 2021 are as follows:

# City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

## Note 8 - Long-Term Liabilities (Continued)

	<u>Tier/Plan</u>	<u>Rate</u>
2022	4 A15	12.9 %
	5 A15	11.0
	6 A15	8.1
2021	4 A15	18.0 %
	5 A15	15.0
	6 A15	10.5

The Agency reported the following for its proportionate share of the net pension liability (asset) for ERS at December 31:

	<u>2022</u>	<u>2021</u>
Measurement date	March 31, 2022	March 31, 2021
Net pension liability (asset)	\$ (200,851)	\$ 2,189
Agency's proportion of the net pension liability (asset)	0.0024570 %	0.0021987 %
Change in proportion since the prior measurement date	0.0002583 %	0.0000315 %

The net pension liability (asset) was measured as of March 31, 2022 and 2021 and the total pension liability used to calculate the net pension liability (asset) was determined by actuarial valuations as of those dates. The Agency's proportion of the net pension liability (asset) 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.

For the years ended December 31, 2022 and 2021, the Agency recognized its proportionate share pension expense of \$46,750 and (\$28,484). At December 31, 2022 and 2021, the Agency reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,211	\$ 19,729
Changes of assumptions	335,198	5,656
Net difference between projected and actual earnings on pension plan investments	-	657,703
Changes in proportion and differences between Agency contributions and proportionate share of contributions	42,304	5,525
Agency contributions subsequent to the measurement date	67,493	-
	<u>\$ 460,206</u>	<u>\$ 688,613</u>

# City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

## Note 8 - Long-Term Liabilities (Continued)

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,738	\$ -
Changes of assumptions	402,548	7,592
Net difference between projected and actual earnings on pension plan investments	-	628,905
Changes in proportion and differences between Agency contributions and proportionate share of contributions	23,774	11,492
Agency contributions subsequent to the measurement date	89,758	-
	<u>\$ 542,818</u>	<u>\$ 647,989</u>

The amount of \$67,493 reported as deferred outflows of resources at December 31, 2022 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 (asset) in the plan's year ended March 31, 2023. 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,	
2023	\$ (41,673)
2024	(63,626)
2025	(161,235)
2026	(29,366)
2027	-
	<u>\$ (295,900)</u>

The total pension liability for the March 31, 2022 measurement date was determined by using an actuarial valuation date as noted below with update procedures used to roll forward the total pension liability to the measurement date. Significant actuarial assumptions used in the valuation were as follows:

Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.7%
Cost of living adjustments	1.4%

\*Compounded annually, net of pension plan investment expenses, including inflation.

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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### **Note 8 - Long-Term Liabilities (Continued)**

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the valuation are based on the results of an actuarial experience study of the period April 1, 2015 - March 31, 2020.

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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized in the following table.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	32 %	3.30 %
International Equity	15	5.85
Private Equity	10	6.50
Real Estate	9	5.00
Opportunistic/ARS Portfolio	3	4.10
Credit	4	3.78
Real Assets	3	5.80
Fixed Income	23	0.00
Cash	1	(1.00)
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.7%.

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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### **Note 8 - Long-Term Liabilities (Continued)**

The following presents the Agency's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9%, as well as what the Agency's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	2022		
	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Agency's proportionate share of the net pension liability (asset)	<u>\$ 516,989</u>	<u>\$ (200,851)</u>	<u>\$ (801,289)</u>
	2021		
	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Agency's proportionate share of the net pension liability (asset)	<u>\$ 607,674</u>	<u>\$ 2,189</u>	<u>\$ (556,209)</u>

The components of the current year collective net pension liability (asset) as of the March 31, 2022 measurement date were as follows:

Total pension liability	\$ 223,874,888,000
Fiduciary net position	<u>232,049,473,000</u>
Employers' net pension liability (asset)	<u>\$ (8,174,585,000)</u>
Fiduciary net position as a percentage of total pension liability	<u>103.65%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2022 represent the employer contribution for the period of April 1, 2022 through December 31, 2022 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2022 were \$67,493.

#### *Voluntary Defined Contribution Plan*

The Agency can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Agency will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

## **City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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### **Note 9 - Other Post Employment Benefit Obligations**

The Agency does not provide healthcare benefits for retired employees.

### **Note 10 - 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 therefrom 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.

### **Note 11 - Related Parties**

#### **Yonkers Economic Development Corporation**

The Yonkers Economic Development Corporation ("Corporation") 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. The Corporation'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 the Corporation will not be liabilities of the State of New York, the City or the Agency. The Corporation's board is comprised of four of the seven Agency board members.

### **Note 12 - Stewardship, Compliance and Accountability**

#### **New Accounting Pronouncement**

GASB Statement No. 87, "Leases", established a single model for lease accounting based on concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the Agency's fiscal year ended December 31, 2022. As a result, the Agency reported a lease receivable of \$173,077 and a deferred inflow of resources associated with this lease of \$169,748 as of December 31, 2022. See Note 6.

### **Note 13 - Commitments and Contingencies**

#### **Litigation**

In the normal course of business there are a number of actions against the Agency that involve personal injury and/or contractual disputes between the plaintiff's and the project beneficiary. In each case, the Agency has been indemnified by the project beneficiary and, in the opinion of the Agency's management,

## **City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
December 31, 2022 and 2021

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### **Note 13 - Commitments and Contingencies (Continued)**

the project beneficiary has insurance in place to mitigate any losses that may ultimately result from the resolution of such litigation. While the Agency has been named in many of these actions, in the opinion of management based on consultation with legal counsel, the ultimate resolution of such litigation matters should not result in any liability to the Agency.

#### **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, 2018. The NYSDEC has issued a certificate of completion for the site. As of December 31, 2022 and 2021, all bills relating to this work were paid and the Agency's dedicated account for the Austin Avenue remediation held a balance of \$5 and \$13,722 to pay any final legal bills, insurance costs and NYSDEC fees. The details of the restricted cash relating to this project is disclosed in Note 5.

#### **Ground Lease**

The Ground Lessor is the owner of real estate located at 10 Woodworth Avenue and 45 Warburton Avenue, Yonkers, New York (together the "Premises") where the Yonkers Larkin Garage Project ("Project") is located. The Ground Lessor leased the Premises to the Yonkers Community Development Agency ("YCDA") under a ground lease agreement dated August 5, 2011 ("Initial Ground Lease") and immediately thereafter, YCDA granted the easements to the City and the County of Westchester, New York. YCDA assigned its leasehold interest under the initial Ground Lease to the YEDC pursuant to the Assignment of Initial Ground Lease. The YEDC thereafter assigned its leasehold interest under the Initial Ground Lease to the YIDA to develop and operate a garage for private and general public use. The Initial Ground Lease was amended by the Ground Lessor under which it has ground leased the Premises to the YIDA for a term of 49 years. Title to all buildings and improvements situated or erected on the Premises shall vest to the Ground Lessor on the day following the last day of the term.

#### **Ground Sublease**

In August 2011, the YIDA and the YLG executed a sublease, whereby YLG was granted the rights to use the land and existing improvements for purposes of constructing and operating the Project. The term of the ground sublease is for 49 years and requires the YLG to pay the City base rent once a year in August at an amount based on "Available Cash Flow" as defined by the ground sublease agreement.

### **Note 14 - 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 \$2 million per occurrence or \$2 million for the period of the policy.

### **Note 15 - 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

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Concluded)  
December 31, 2022 and 2021

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### **Note 15 - Workforce Investment Board (Continued)**

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.

### **Note 16 - Recently Issued GASB Pronouncements**

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Agency believes will most impact its financial statements. The Agency will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

### **Note 17 - Subsequent Events**

During March 2023, Signature Bank ("Bank") has been closed by the New York Department of Financial Services, which appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. As of March 12, 2023, the Agency had deposit accounts with the Bank with an aggregate balance of approximately \$4,910,267.

As of March 12, 2023, the FDIC has taken over all deposits of the Bank and has stated that all depositors will be made whole even though they exceed the FDIC limits of \$250,000. At this time, the Agency expects to continue to be able to meet its payroll and other obligations through this provider. However, due to disruptions to the U.S. banking system caused by the recent developments involving the Bank, the Agency may experience delays in its ability to transfer funds whether held with the Bank or otherwise.

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# **City of Yonkers Industrial Development Agency**

Required Supplementary Information

December 31, 2022



**City of Yonkers Industrial Development Agency**

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

**Schedule of the Agency's Proportionate Share of the Net Pension Liability (Asset) (2)**

	2022 (4)	2021 (4)	2020 (3)	2019	2018	2017	2016	2015
Agency's proportion of the net pension liability (asset)	<u>0.0024570%</u>	<u>0.0021987%</u>	<u>0.0021672%</u>	<u>0.0022820%</u>	<u>0.0025275%</u>	<u>0.0026327%</u>	<u>0.0026060%</u>	<u>0.0038741%</u>
Agency's proportionate share of the net pension liability (asset)	<u>\$ (200,851)</u>	<u>\$ 2,189</u>	<u>\$ 573,899</u>	<u>\$ 161,688</u>	<u>\$ 81,575</u>	<u>\$ 247,376</u>	<u>\$ 418,278</u>	<u>\$ 130,877</u>
Agency's covered payroll	<u>\$ 871,815</u>	<u>\$ 855,744</u>	<u>\$ 830,853</u>	<u>\$ 746,791</u>	<u>\$ 703,768</u>	<u>\$ 752,593</u>	<u>\$ 701,732</u>	<u>\$ 681,322</u>
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>-23.04%</u>	<u>0.26%</u>	<u>69.07%</u>	<u>21.65%</u>	<u>11.59%</u>	<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>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

**Schedule of Contributions**

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 118,698</u>	<u>\$ 104,612</u>	<u>\$ 95,101</u>	<u>\$ 95,267</u>	<u>\$ 96,297</u>	<u>\$ 93,154</u>	<u>\$ 84,656</u>	<u>\$ 83,895</u>
Contributions in relation to the contractually required contribution	<u>(118,698)</u>	<u>(104,612)</u>	<u>(95,101)</u>	<u>(95,267)</u>	<u>(96,297)</u>	<u>(93,154)</u>	<u>(84,656)</u>	<u>(83,895)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency's covered payroll	<u>\$ 985,793</u>	<u>\$ 967,257</u>	<u>\$ 819,284</u>	<u>\$ 807,967</u>	<u>\$ 708,814</u>	<u>\$ 687,779</u>	<u>\$ 758,089</u>	<u>\$ 751,107</u>
Contributions as a percentage of covered payroll	<u>12.04%</u>	<u>10.82%</u>	<u>11.61%</u>	<u>11.79%</u>	<u>13.59%</u>	<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".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

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

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

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# **City of Yonkers Industrial Development Agency**

Other Supplementary Information

December 31, 2022

**City of Yonkers Industrial Development Agency**

Supplementary Information  
Statement of Indebtedness - Bonds and Notes  
December 31, 2022

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2022	New Issues in 2022
Consumer Union	December 2005	6/1/2036	3.67%	\$ 47,300,000	\$ 32,400,000	\$ -
Monastery Manor Association, L.P.	September 2005	4/1/2037	5.00%	9,500,000	6,635,000	-
Sacred Heart A	September 2006	10/1/2037	3.80 - 5.00%	7,345,000	5,300,000	-
Center of Family Services	January 2008	7/1/2023	5.50 - 5.80%	1,190,000	225,000	-
Jefferson Terrace - 2006 A	December 2006	5/1/2048	5.95%	3,600,000	3,141,981	-
Main Street Lofts	December 2005	12/1/2038	2.80%	44,600,000	44,600,000	-
Sarah Lawrence College, Series B	December 2009	6/1/2032	7.75%	1,950,000	1,950,000	-
Yonkers Joint School Commission Bond - Series 2021	September 2021	11/1/2051	4.00 - 5.00%	25,000,000	25,000,000	-
Yonkers Joint School Commission Bond - Series 2022	December 2022	11/1/2051	5.00 - 5.25%	-	-	46,240,000
				<u>\$ 140,485,000</u>	<u>\$ 119,251,981</u>	<u>\$ 46,240,000</u>

Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

Retired in 2022	Balance at 12/31/2022	Project Purpose Code	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained	Tax Exemptions			Federal Tax Exemptions
					Real Property Tax			
					County	Local	School	
\$ 1,675,000	\$ 30,725,000	8	420	-	\$ n/a	\$ 13,519	\$ 27,839	Exempt
275,000	6,360,000	8	7	7	5,584	11,250	23,166	Exempt
225,000	5,075,000	8	7	7	5,584	11,250	23,166	Exempt
60,000	165,000	8	9	-	n/a	n/a	n/a	Exempt
50,605	3,091,376	8	3	3	n/a	n/a	n/a	Exempt
-	44,600,000	8	6	6	95,403	183,142	377,144	Exempt
-	1,950,000	8	345	345	n/a	n/a	n/a	Exempt
-	25,000,000	8	14	14	n/a	n/a	n/a	Exempt
-	46,240,000	8	14	14	n/a	n/a	n/a	Exempt
<u>\$ 2,285,605</u>	<u>\$ 163,206,376</u>							

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## City of Yonkers Industrial Development Agency

### Supplementary Information

### Schedule of Straight-Lease Transactions Executed in 2022

December 31, 2022

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<u>Project Name Owner Name and Address</u>	<u>Total Amount of Lease</u>	<u>Method of Financial Assistance, Other than the Tax Exemptions</u>	<u>Project Purpose Code</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
X20 - Xaviers on the Hudson 71 Water Grant Street Yonkers, NY 10701	\$180,000/Year	Loan	8	n/a	n/a

#### Project Purpose Codes

- 1 - Services
- 2 - Construction
- 3 - Agriculture, Forestry and Fishing
- 4 - Wholesale Trade
- 5 - Retail Trade
- 6 - Finance, Insurance and Real Estate
- 7 - Transportation, Communication, Electric, Gas and Sanitary Services
- 8 - Other
- 9 - Manufacturing

See independent auditors' report.

**City of Yonkers Industrial Development Agency**

Supplementary Information  
Schedule of Payments in Lieu of Taxes  
December 31, 2022

Project	Total	City	County
11-23 St. Casimir Avenue	\$ 37,500	\$ 32,044	\$ 5,456
1175 Warburton	219,439	188,476	30,963
188 Warburton - Shelter Rent	59,470	50,817	8,653
222 Lake Ave - Lake Opportunity Holdings	35,000	30,061	4,939
326 Riverdale Owners	221,682	190,402	31,280
34 Highland Partners LLC	37,885	32,539	5,346
411 Bronx River Development LLC	52,708	45,271	7,437
555 Storage	247,347	212,446	34,901
56 Prospect Holdings LLC	26,082	22,402	3,680
57 Alexander	133,019	114,250	18,769
70 Ashburton Ave - Hudson Blue	72,298	62,309	9,989
78 Morningside	19,043	16,272	2,771
9-11 Riverdale	11,323	9,725	1,598
AAM Yonkers A Hotel LLC	424,405	364,521	59,884
Ashburton Avenue, LP	980	842	138
Avalon ATI Site	602,956	517,877	85,079
Avalon Sun Sites	705,903	606,298	99,605
Brooks Shopping Center, LLC	6,000,000	5,153,386	846,614
Cahokia	29,324	25,186	4,138
Collins I - Hudson Park Investors	1,396,110	1,203,168	192,942
Collins II	1,600,500	1,374,666	225,834
Collins III Yonkers Waterfront	356,211	305,949	50,262
Consumers Union B	41,357	41,357	-
CPG III - Shelter Rent	116,313	100,238	16,075
Cromwell Towers	231,240	198,611	32,629
Croton Heights	1,000	859	141
Dayspring Commons L.P.	77,699	66,736	10,963
Extell Hudson Waterfront LLC	358,874	308,237	50,637
FC Yonkers (Ridge Hill)	580,575	496,102	84,473
FC Yonkers (Ridge Hill)	580,575	496,102	84,473
FC Yonkers (Ridge Hill)	580,575	496,102	84,473
FC Yonkers (Ridge Hill)	580,575	496,102	84,473
FC Yonkers (Ridge Hill)	580,575	496,102	84,473
FC Yonkers (Ridge Hill)	580,575	496,102	84,473
FC Yonkers (Ridge Hill)	580,575	498,656	81,919
FC Yonkers (Ridge Hill)	580,575	498,656	81,919
FC Yonkers (Ridge Hill)	580,575	498,656	81,919
FC Yonkers (Ridge Hill)	580,575	498,656	81,919
FC Yonkers (Ridge Hill)	580,575	498,656	81,919
FC Yonkers (Ridge Hill)	606,958	522,226	84,732

(Continued)

**City of Yonkers Industrial Development Agency**

Supplementary Information

Schedule of Payments in Lieu of Taxes (Continued)

December 31, 2022

Project	Total	City	County
Grant Park II	\$ 44,240	\$ 37,998	\$ 6,242
Greyston Bakery	25,000	21,510	3,490
InStock Cabinets	136,563	117,294	19,269
Jackson Terrace Preservation LLC	55,433	47,772	7,661
Jefferson Terrace	75,000	64,530	10,470
406 Walnut/Kubasek Owners LLC	256,753	221,270	35,483
Lionsgate - Phase 1	103,127	88,575	14,552
Macys	1,229,408	1,055,936	173,472
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Main Street Lofts	54,641	46,690	7,951
Maple Realty Management Inc	35,461	30,457	5,004
MillCreek	63,092	54,190	8,902
Monastery Manor	40,000	34,416	5,584
Monastery Manor - Shelter Rent	32,999	28,438	4,561
Mulford I, LP	2,000	1,709	291
Parkledge Apartments	428,906	369,631	59,275
Post Street	76,800	65,626	11,174
P.S 6 - Shelter Rent	121,051	104,322	16,729
Point and Ravine	59,434	51,047	8,387
Rising	89,341	76,735	12,606
RiverTides	763,460	655,734	107,726
Riverview II Preservation LP	333,366	286,327	47,039
RMS Warburton	263,104	225,980	37,124
RXR Soyo	887,497	762,269	125,228
Sacred Heart	40,000	34,416	5,584
Sacred Heart - Shelter Rent	26,033	22,436	3,597
St. Casimirs, LP	91,334	78,447	12,887
Stagg Construction	174,691	150,041	24,650
Tacos El Poblanos	16,180	13,897	2,283
Warburton Riverview Owners LLC	25,682	22,058	3,624

(Continued)

**City of Yonkers Industrial Development Agency**

## Supplementary Information

## Schedule of Payments in Lieu of Taxes (Concluded)

December 31, 2022

Project	Total	City	County
Westchester ALP 1	\$ 65,280	\$ 56,069	\$ 9,211
Westchester ALP 2	14,720	12,643	2,077
Whitney Young	151,259	129,916	21,343
Woodstock	30,000	25,767	4,233
Woodstock - Shelter Rent	6,447	5,509	938
MGM Yonkers	5,381,493	4,622,152	759,341
Yonkers BV AMS LLC	27,381	23,517	3,864
Yonkers Contracting Company	87,941	75,532	12,409



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

**Independent Auditors' Report**

**The Board of Directors of the  
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, 2022 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 28, 2023.

**Report on 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") as a basis for designing 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 or significant deficiencies may exist that were not identified.

## Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency'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 28, 2023