



**Regular Meeting  
of the  
Yonkers Industrial Development Agency**

**PRELIMINARY  
AGENDA**

**March 30, 2023**

**At 1:00 p.m.**

*Agenda Subject to Change*

- 1) Roll Call
- 2) Minutes for Meeting March 6, 2023
- 3) Approval of Audit 2022
- 4) Approval of PAAA 2022 Annual Report
- 5) Resolutions for Consideration:
  - I. Authorizing Resolution – Termination of Lease Agreement and Tax Agreement for Hudson North LLC and Termination of Lease Agreement for Hudson Park Investors LLC
- 6) Other Business/and Any Other Business that Comes Before the Board
- 7) Legal Updates
- 8) Adjournment

**DRAFT**

STATE OF NEW YORK  
CITY OF YONKERS

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Minutes of  
The City of Yonkers IDA Board Meeting  
March 6, 2023 - 2:00 P.M.

At  
470 Nepperhan Avenue, Suite 200  
Yonkers, New York 10701-3892

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**B E F O R E:**

- MAYOR MIKE SPANO - Chairman
- MARLYN ANDERSON - Secretary
- MELISSA NACERINO - Treasurer
- CECILE SINGER - Board Member (Excused)
- VICTOR GJONAJ - Board Member
- HENRY DJONBALAJ - Board Member
- ROBERTO ESPIRITU - Board Member

**I D A S T A F F:**

- JIM CAVANAUGH - IDA President & CEO
- JAIME MCGILL - IDA Executive Director
- SIBY OOMMEN - IDA/YEDC Chief Fiscal Officer

**P R E S E N T:**

- MICHAEL CURTI, ESQ. - Harris Beach  
PLLC/Transaction Counsel
- LARRY SYKES ESQ. - COUNSEL
- JOHN V.SARACENO - TRINITY ASSOCIATES
- JAIME MARTINEZ - TRINITY ASSOCIATES
- JOSEPH LYNCH, ESQ. NIXON PEABODY
- PATRICK LI - NUVEEN
- NANCY MILLER - NUVEEN
- PAMELA WEST - NUVEEN
- JAMES LANDY - MONASTERY MANOR

PROCEEDINGS

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MR. OOMMEN: Mayor Mike Spano?

MAYOR SPANO: Here.

MR. OOMMEN: Marlyn Anderson?

MS. ANDERSON: Here.

MR. OOMMEN: Melissa Nacerino?

MS. NACERINO: Here.

MR. OOMMEN: Victor Gjonaj?

MR. GJONAJ: Here.

MR. OOMMEN: Henry Djonbalaj?

MR. DJONBALAJ: Here.

MR. OOMMEN: Roberto Espiritu?

MR. ESPIRITU: Here.

MR. OOMMEN: Cecile Singer is  
excused.

Mayor, we have a quorum.

MAYOR SPANO: All right, good.  
We have a quorum. And we will go  
straight to item number two, the  
minutes for the December 28th, 2023,  
meeting. We all have them available  
to us. Are there any questions?

There are no questions. Would  
anyone make a motion that we accept  
the minutes?

PROCEEDINGS

1  
2 MR. DJONBALAJ: I'll make a  
3 motion.

4 MAYOR SPANO: Henry's made a  
5 motion, seconded by Melissa. All in  
6 favor?

7 (A chorus of ayes.)

8 MAYOR SPANO: The minutes have  
9 been accepted.

10 Item three, resolutions for  
11 consideration.

12 MS. MCGILL: The first item is  
13 a inducement resolution for Verus  
14 Development LLC. This is 345 McLean  
15 Avenue. We have representatives from  
16 the project here from Trinity  
17 Associates: John Saraceno, Jaime  
18 Martinez, and also Michael Curti,  
19 representing the transaction, as  
20 always.

21 MR. CURTI: Good afternoon,  
22 Mayor. And before I turn it over to  
23 Mr. Martinez and Mr. Saraceno, this  
24 is the inducement or preliminary  
25 resolution for this project, which is

## PROCEEDINGS

1  
2 a senior affordable housing project  
3 located at 345 McLean Avenue. The  
4 type of financial assistance being  
5 requested here is for a real property  
6 tax abatement only. There is no  
7 request for sales tax or mortgage  
8 recording tax as part of this  
9 application.

10 At this point, I'll turn it  
11 over to the applicants for their  
12 presentation.

13 MR. SARACENO: Thank you. Good  
14 afternoon, everybody. I'm John  
15 Saraceno, this is Jaime Martinez.  
16 We're with Trinity Associates. We're  
17 here today presenting our project at  
18 345 McLean Avenue. This is a  
19 105-unit senior affordable housing  
20 project. We've been working on it  
21 for a number of years, I feel like.  
22 We have that COVID two-year period  
23 where just -- just forget it even  
24 happened.

25 This is -- like I said, a

## PROCEEDINGS

1  
2 105-unit senior affordable housing.  
3 We have income limits from 30 to  
4 60 percent, we have 93 one-bedrooms,  
5 10 two-bedrooms, one studio, and one  
6 apartment designated for the project  
7 super. We have received approvals,  
8 but we are going back through  
9 approvals currently just on a minor  
10 tweak on the parking, which we -- we  
11 received the zoning variance last  
12 month, and planning -- hopefully,  
13 it's Wednesday.

14 MR. MARTINEZ: Hopefully.

15 MR. SARACENO: We -- the  
16 project is being financed with 4  
17 percent bonds through New York City  
18 Housing Finance Agency. We have 4  
19 percent as-of-right tax credits with  
20 that, state credits with that, and  
21 some subsidy loan, also from New York  
22 State. With that, we hope to close  
23 this project in October. We're  
24 looking for, as mentioned, tax filing  
25 for the project. Did I miss

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anything?

MR. MARTINEZ: No.

MAYOR SPANO: Are there any questions? Let me ask you real quick about the inducements. The inducements are going to -- I'm assuming you guys will have to do prevailing wage?

MR. SARACENO: No, no prevailing wage. Well, there is a component of the project that has a Westchester County infrastructure grant, which would be prevailing wage.

MR. CURTI: Mayor, I might be able to answer that question for you.

MAYOR SPANO: Yes.

MR. CURTI: With regard to the 224-A Labor Law requirements, which are the prevailing wage requirements, because the project is over 25 percent affordable, they are exempt.

MAYOR SPANO: Oh, they're

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exempt?

MR. CURTI: Yes.

MR. SPANO: All right. Thank  
you.

MR. SARACENO: Thank you.

MAYOR SPANO: Any other  
questions? Somebody want to make a  
-- so we're looking at an inducement  
resolution. Anybody want to make a  
motion?

MR. ESPIRITU: I make a motion.

MAYOR SPANO: Roberto has made  
a motion, seconded by Victor. All in  
favor?

(A chorus of ayes.)

MAYOR SPANO: Any negatives?  
Hearing none, the item is passed.  
Okay. Let's go on to number two.

MR. SARACENO: Thank you.

MAYOR SPANO: Thank you.

MS. MCGILL: Thank you. The  
next item is a resolution authorizing  
the transfer and assignment of  
ownership of Whitney Young Manor, LP



PROCEEDINGS

1  
2 to Nuveen.

3 As you may recall, Nuveen  
4 purchased -- recently purchased Ridge  
5 Hill, and they are now seeking to  
6 purchase the Whitney Young Manor  
7 project, which is right down the  
8 street. It's 194 units of affordable  
9 housing.

10 We have Michael Curti here to  
11 represent the transaction, and we  
12 have several representatives here from  
13 Nuveen. For the record, we have  
14 Joseph Lynch --

15 MR. LYNCH: Lynch, yes.

16 MS. MCGILL: -- right here from  
17 Nixon Peabody, Patrick Lee, Nancy  
18 Miller, and Pamela West.

19 MR. LYNCH: Great. Okay.  
20 Thank you, everybody and good  
21 afternoon. Mr. Mayor, members of the  
22 IDA Board, my name is Joe Lynch, I'm  
23 an attorney at Nixon Peabody, and I'm  
24 here to introduce my clients Nuveen  
25 Affordable and their affiliate, who

## PROCEEDINGS

1  
2 is actually purchasing Omni's  
3 interest in the general partner of  
4 Whitney Young. It's the general  
5 partner of Whitney Young Manor LP.

6 We're asking strictly for the  
7 change in this ownership on the upper  
8 tier of the general partner. I do  
9 want to point out there's no change  
10 in the management or the operations  
11 of the property. There's no change  
12 in the IDA existing terms and  
13 agreements at all, there is no new  
14 money in this transaction that we're  
15 asking for in the IDA. We're just  
16 asking for this consent.

17 And we do understand that there  
18 has been a syndic -- a re-syndication  
19 or a new bond issuance that's been in  
20 front of the IDA previously, that  
21 calls for major improvements of the  
22 property and re-syndication, and we  
23 are going to pursue that with Michael  
24 and Harris Beach. And, you know,  
25 obviously, there will need to be some

## PROCEEDINGS

1  
2 changes on the IDA application and  
3 such. But most of the major  
4 improvements, including the  
5 installation of new microwaves, will  
6 be honored, as it was in the past  
7 before. So we'll work with them on  
8 that.

9 I'd like to turn it over to my  
10 client now, Nuveen Affordable. They  
11 have some history here in Yonkers and  
12 they would like to talk to you about  
13 it and what they plan to do. Thank  
14 you.

15 MS. WEST: Good afternoon. I'm  
16 Pamela West. I am the senior  
17 portfolio manager for Nuveen Impact  
18 Investing.

19 I just thought I'd give a quick  
20 introduction. A lot of people don't  
21 know that Nuveen is the asset  
22 management arm for TIAA, and we have  
23 actually been investing in affordable  
24 housing since the early '90s. We've  
25 been an impact investor for over

## PROCEEDINGS

1  
2 50 years as a company along with  
3 TIAA. Today we have about a  
4 \$3 billion portfolio that sits in 24  
5 states across the US. It's about  
6 19,000 units.

7 The main strategy of our  
8 investment program is to preserve  
9 housing for residents who are earning  
10 60 percent of AMI and below. And so  
11 this asset fits very well within that  
12 strategy.

13 We're long-term investors. We  
14 upgrade all our units through some  
15 sort of green retrofit, whether that  
16 be through, you know, installing  
17 energy-efficient appliances or  
18 upgrading the physical plan of the  
19 property.

20 But I think what we also do  
21 really well is we focus on the  
22 residents. The residents come first.  
23 And so we really think about, you  
24 know, social services, and we  
25 underwrite those services for all of

## PROCEEDINGS

1  
2 our properties. And that really  
3 focuses on things like closing the  
4 transportation gap, education of our  
5 adults and our kids, financial  
6 empowerment, and health and wellness,  
7 especially for seniors within our  
8 property.

9 So I just thought I'd give you  
10 an overview of this. I know we've  
11 been in front of you before for Ridge  
12 Hill and our retail portfolio, but I  
13 also wanted to just mention what  
14 we're doing in affordable housing.  
15 Thank you.

16 MAYOR SPANO: Anybody else?  
17 Are there any questions? We've had  
18 you before, we grilled you before.

19 MS. WEST: Yeah.

20 MAYOR SPANO: We aren't  
21 interested in doing the whole process  
22 all over again. So there's no  
23 questions. Somebody want to make a  
24 motion? Marlyn.

25 MS. ANDERSON: Make a motion.

PROCEEDINGS

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2           MAYOR SPANO:    Made a motion.  
3           Seconded by Henry.   All in favor?  
4           (A chorus of ayes.)

5           MAYOR SPANO:    Any negatives?  
6           Hearing none, the item is passed.

7           MS. WEST:    Thank you so much.

8           MAYOR SPANO:    Okay.   Item  
9           three.

10          MS. MCGILL:    Okay.   The next  
11          resolution is authorizing the fourth  
12          amendment of the pier sublicense  
13          agreement with HCC Caterers, Inc.  
14          This is also known as X20.

15                 This is really just an  
16          administrative item.   We've gone  
17          through several amendments of their  
18          agreement.   We reduced their rent  
19          during COVID.   That has since  
20          expired.   So we're looking to amend  
21          the agreement back to the monthly  
22          lease payment that was agreed to  
23          prior to that.

24                 We have Michael Curti here, can  
25          go into further detail.

## PROCEEDINGS

1  
2 MR. CURTI: Yes. Thank you.

3 And good afternoon again, members of  
4 the board.

5 As many of you may recall, the  
6 X20 entity, or HCC Caterers, which  
7 owns the restaurant itself that  
8 leases through Yonkers Pier, Inc.,  
9 which is managed by the Yonkers  
10 Industrial Development Agency, was  
11 involved in a bankruptcy litigation  
12 for most of 2020 and 2021. This  
13 would extend the time in which we  
14 would be accepting these reduced  
15 payments, which really is intended  
16 for the restaurant to recapitalize in  
17 a way that it will continue to be a  
18 going concern for years to come.

19 We do rely on the lease  
20 payments that we receive from the  
21 restaurant in order to pay for the  
22 debt service and some of the other  
23 improvements that were made to the  
24 City's Victorian pier. So this would  
25 push out that agreement that has

## PROCEEDINGS

1  
2           existed for both 2020, 2021 and 2022  
3           into 2023. And of course the board  
4           can reconsider its arrangement at the  
5           end of this calendar year. Thank  
6           you.

7           MAYOR SPANO: How are things  
8           going? Because I know he had many  
9           other liabilities, and we try to do  
10          our part to see if -- we see the  
11          value of having the pier there, we  
12          see the value of having X20. I think  
13          it's our only five-star restaurant in  
14          the city. I know that he's had deep  
15          issues across the board. It's  
16          improper for me to ask, but how is it  
17          going?

18          MR. CURTI: No, not at all. I  
19          mean, he's been paying on time.

20          MS. MCGILL: He's paid on time.

21          MR. CAVANAUGH: He's paying  
22          rent.

23          MAYOR SPANO: Yes, he's paying  
24          rent. All right. Any questions?  
25          For those of you who don't know, X20,



## PROCEEDINGS

1  
2 Peter Kelly, had some financial  
3 issues. We had decided, Jim worked  
4 with us and reduced his rent on the  
5 property that we currently own, known  
6 as X20. And we're now going to be  
7 extending those benefits, those rent  
8 benefits that we put in place, to the  
9 end of 2023.

10 MS. MCGILL: We should just  
11 note, we reduced it substantially at  
12 one point. It has been elevated  
13 since then, so this is not the fully  
14 reduced rate.

15 MR. CURTI: Right.

16 MAYOR SPANO: Okay. Just tell  
17 them get out of the first floor.  
18 Start again. He's still there, but  
19 -- we're going to work with him,  
20 okay?

21 Thanks, everybody. Anybody  
22 want to make a motion?

23 MS. ANDERSON: I'll make a  
24 motion.

25 MAYOR SPANO: So Marylyn's made

PROCEEDINGS

1  
2 a motion for item three, seconded by  
3 Melissa. All in favor?

4 (A chorus of ayes.)

5 MAYOR SPANO: Any negatives?  
6 Hearing none, the item is passed.  
7 Okay. Move forward.

8 MS. MCGILL: The next item is a  
9 resolution approving the extension of  
10 contract for management services for  
11 Yonkers Larkin Garage and the IDA.  
12 This is also just an administrative  
13 action.

14 We -- both entities, both the  
15 IDA and the Larkin Garage Corporation  
16 did approve the increased amount in  
17 their annual budgets last year and  
18 this year. We just need to actually  
19 have the contract executed that  
20 raises those amounts. So this is  
21 just authorizing us to go into  
22 contract.

23 MAYOR SPANO: Any questions?  
24 Okay. Hearing no question, Henry's  
25 made a motion, seconded by Victor.

PROCEEDINGS

1  
2 All in favor?

3 (A chorus of ayes.)

4 MAYOR SPANO: Any negatives?  
5 Item is passed. Okay.

6 MS. MCGILL: Our last item is a  
7 resolution authorizing consent to a  
8 transfer of an interest relating to  
9 Monastery Manor Associates LP, with  
10 Michael Curti here to discuss the  
11 transaction.

12 MR CURTI: Yes, thank you. And  
13 this resolution that is before you is  
14 authorizing consent to a transfer of  
15 an interest related to Monastery  
16 Manor Associates project.

17 Much like the project that was  
18 discussed earlier, which related to  
19 Whitney Young, this project was  
20 financed with bonds and low-income  
21 housing tax credits some years ago.  
22 There was an investor who put money  
23 into the project in exchange for  
24 those 4 percent percent tax credits  
25 years ago. And now that the 15-year

## PROCEEDINGS

1  
2 low-income housing tax credit period  
3 has expired, there's an interest by  
4 Monastery Manor and the Finian  
5 Sullivan Corporation, which owns the  
6 property, to buy out the investor.

7 And Jim Landy's here to talk a  
8 little bit about that process, and  
9 also that the applicant will be  
10 coming back to the IDA at some point  
11 this year for additional benefits.

12 MR. LANDY: Thank you. I'm Jim  
13 Landy. I'm president of Monastery  
14 Manor Associates.

15 As Mr. Curti just outlined,  
16 what we're here for today, this  
17 building was built -- if you were  
18 turned around you could just look up  
19 the hill and see it. It's right in  
20 front of you.

21 147 units of senior affordable  
22 housing was built in 1982 as an  
23 original section 202 with Section 8.  
24 In 2006, because of HUD's failure to  
25 fund upgrades of many of its

## PROCEEDINGS

1  
2 properties, we took it out of the  
3 section 202 program and used with  
4 LIHTC, investment tax credits funds  
5 to renovate the property, or our  
6 properties. And we put about  
7 \$10 million of those proceeds into  
8 the upgrades and renovations.

9 15 years have gone by, so the  
10 ownership is -- of the LIHTC  
11 percentage, while we've managed it  
12 and kept control of it all of those  
13 years, they have owned 99.9 percent.  
14 With the maturity of the bonds, we  
15 get it back -- and we're taking it,  
16 you know, obviously we're taking it  
17 back. And the fee for that is all of  
18 \$75,000 or \$77,000, or something like  
19 that. So there's -- we're just  
20 paying their tax on doing it. So  
21 we're just moving it, the control of  
22 it, from what we originally presented  
23 to you folks back 15, 16 years ago.

24 So there's no change in the  
25 current IDA terms, no new monies at

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PROCEEDINGS

this time, but we're taking it back so we can go to a lender and refinance and do the same thing to upgrade once again. There are some structural issues that need to be addressed and such. And that's our plan. Any questions?

MAYOR SPANO: Okay. Any questions for Mr.Landy? Thank you.

MR. LANDY: Thank you.

MAYOR SPANO: Appreciate that. Somebody want to make a motion? Henry's made a motion, seconded by Roberto. All in favor?

(A chorus of ayes.)

MAYOR SPANO: Any negatives? Hearing none, item five is passed.

Are there any -- is there any other business? Counselor? Anything?

MR. CURTI: None.

MAYOR SPANO: Legal updates?

MR. SYKES: I have nothing.

MAYOR SPANO: Anyone want to

PROCEEDINGS

1  
2 make a motion we adjourn?

3 MS. ANDERSON: Make a motion.

4 MAYOR SPANO: Marlyn's made a  
5 motion, seconded by Henry. All in  
6 favor?

7 (A chorus of ayes.)

8 MAYOR SPANO: Okay, we're  
9 adjourned.

10 (Whereupon, at 2:26 P.M., the  
11 Examination of this witness was  
12 concluded.)

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PROCEEDINGS

C E R T I F I C A T E

STATE OF NEW YORK )  
: SS.:  
COUNTY OF WESTCHESTER )

I, NATHAN DAVIS, a Notary Public for  
and within the State of New York, do hereby  
certify:

That the above is a correct  
transcription of my stenographic notes.

I further certify that I am not  
related to any of the parties to this  
action by blood or by marriage and that I  
am in no way interested in the outcome of  
this matter.

IN WITNESS WHEREOF, I have hereunto  
set my hand this 10th day of March 2023.



NATHAN DAVIS



<b>&amp;</b>	<b>3</b>	<b>actually</b> 9:2 10:23 17:18	<b>ami</b> 11:10
<b>&amp;</b> 1:15	<b>3</b> 11:4	<b>additional</b> 19:11	<b>amount</b> 17:16
<b>1</b>	<b>30</b> 5:3	<b>addressed</b> 21:7	<b>amounts</b> 17:20
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<b>15</b> 18:25 20:9 20:23	<b>50</b> 11:2	<b>affordable</b> 4:2 4:19 5:2 6:23 8:8,25 10:10 10:23 12:14 19:21	<b>appliances</b> 11:17
<b>16</b> 20:23	<b>6</b>	<b>afternoon</b> 3:21 4:14 8:21 10:15 14:3	<b>applicant</b> 19:9
<b>19,000</b> 11:6	<b>6</b> 1:4	<b>agency</b> 5:18 14:10	<b>applicants</b> 4:11
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<b>224</b> 6:20	<b>a</b>		
<b>24</b> 11:4	<b>abatement</b> 4:6		
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**DRAFT**

City of Yonkers Industrial Development Agency

**Report to the Audit Committee  
December 31, 2022**

March 28, 2023

Robert Daniele, Partner  
[rdaniele@pkfod.com](mailto:rdaniele@pkfod.com)

A large teal circular graphic on the left side of the page. Inside the circle, the text "KNOW GREATER VALUE" is written in a bold, dark blue, sans-serif font, stacked in three lines.

**KNOW  
GREATER  
VALUE**

March 28, 2023

Board of Directors  
City of Yonkers Industrial Development Agency

We are in the process of completing our audit of the financial statements of the City of Yonkers Industrial Development Agency ("Agency") as of and for the year ended December 31, 2022.

Professional standards require us to communicate with you regarding audit matters that are, in our professional judgment, significant and relevant to *those charged with governance* ("TCWG") in overseeing the financial reporting process. This communication is intended to provide you with these required communications as well as other findings and information regarding our audit.

We are pleased to be of service to you and the Agency and appreciate the opportunity to present our audit findings to you and discuss other matters which may be of interest to you.

This information is intended solely for the use of the Board of Directors and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*PKF O'Connor Davies, LLP*  
PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP

500 Mamaroneck Avenue, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | [www.pkfod.com](http://www.pkfod.com)

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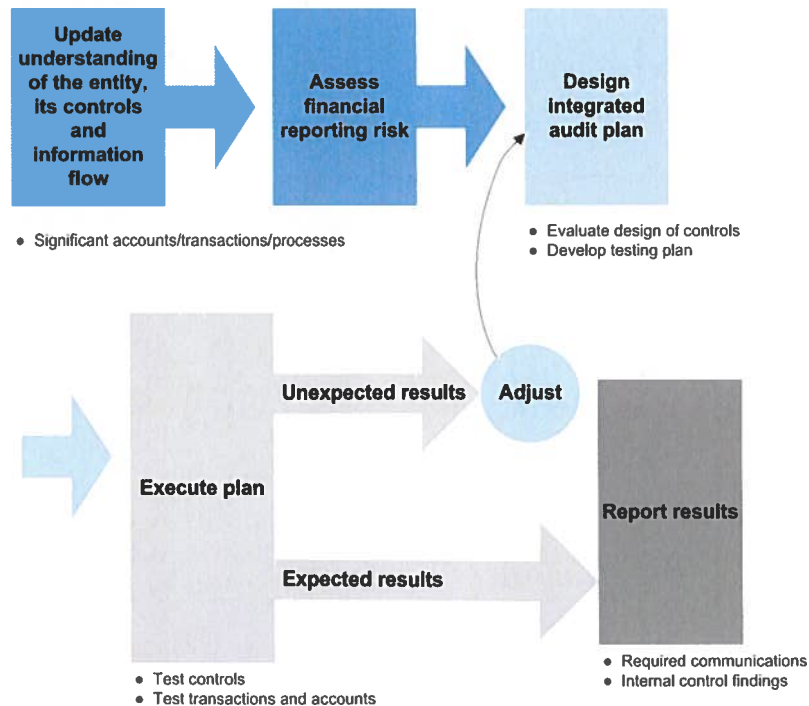
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## Status of the Audit and Other Services

### Audit of Financial Statements

- Audit fieldwork is complete. The scope of our fieldwork was substantially the same as described in our audit planning communications.
- The financial statements have been drafted and reviewed by management.
- We anticipate that we will be issuing an unmodified opinion on the financial statements upon completion of all outstanding audit related items.
  - Public Authorities and Accountability Act documents
  - Final approval of the financial statements by the Agency
    - Independent Auditors' Report
    - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

### Audit Approach



## **Financial Statement Highlights**

## COMPARATIVE STATEMENT OF NET POSITION

	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
	5,458,633	5,234,796
<b>Non-current assets</b>		
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	2,679,414	3,274,431
Total Assets	8,138,047	8,509,227
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	460,206	542,818
<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
<b>Non-current liabilities</b>		
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	1,302,685	1,471,455
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Lease related	169,748	-
Pension related	688,613	647,989
	858,361	647,989
<b>NET POSITION</b>		
Net investment in capital assets	1,723,763	2,091,498
Restricted		
Yonkers Pier activities	200,210	100,621
Unrestricted	4,513,234	4,740,482
Total Net Position	\$ 6,437,207	\$ 6,932,601

## Financial Statement Highlights (Continued)

### COMPARATIVE STATEMENT OF ACTIVITIES

	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
<b>Total Operating Revenues</b>	<b>1,380,167</b>	<b>3,487,950</b>
<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	-
<b>Total Operating Expenses</b>	<b>1,914,811</b>	<b>2,374,136</b>
<b>Income (Loss) from Operations</b>	<b>(534,644)</b>	<b>1,113,814</b>
<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)
<b>Total Non-Operating Revenues (Expenses), net</b>	<b>39,250</b>	<b>(21,404)</b>
<b>Change in Net Position</b>	<b>(495,394)</b>	<b>1,092,410</b>
<b>NET POSITION</b>		
Beginning of Year	6,932,601	5,840,191
End of Year	<u>\$ 6,437,207</u>	<u>\$ 6,932,601</u>



## Required Communications and Other Matters

Required Item	Comments
<p><b>Auditor's responsibility under professional standards and planned scope and timing of the audit</b></p>	<p>We have communicated such information in our engagement letter to you dated November 10, 2022. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> <li>• Forming and expressing an opinion on the financial statements.</li> <li>• Obtaining reasonable assurance the financial statements are free of material misstatements, whether caused by error or fraud.</li> <li>• Accumulating and communicating uncorrected misstatements to TCWG.</li> <li>• Maintaining professional skepticism.</li> <li>• Communicating audit related matters that are, in our professional judgment, significant to TCWG.</li> </ul>
<p><b>Supplementary information accompanying the financial statements</b></p>	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>
<p><b>Other Supplementary information accompanying the financial statements</b></p>	<p>With respect to such supplementary information, we made certain inquiries of members of management and evaluated the form, content and methods of preparing the information to determine that the information complies with US GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>



Required Item	Comments
<p><b>Our responsibilities under the Yellow Book</b></p>	<p>In connection with our audit, we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.</p>
<p><b>Responsibilities of management and TCWG</b></p>	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> <li>• The fair presentation of the financial statements, including the selection of appropriate accounting policies.</li> <li>• Establishing and maintaining effective internal control.</li> <li>• Complying with laws, regulations, grants and contracts.</li> <li>• Providing the auditors with all financial records and related information and a signed representation letter.</li> <li>• Evaluate if there are any 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.</li> <li>• Setting the proper tone at the top.</li> <li>• Designing and implementing policies and controls to prevent and detect fraud.</li> </ul> <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>
<p><b>Qualitative aspects of accounting practices - Accounting Policies</b></p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 87, "Leases".</p> <p>The accounting policies of the Agency conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Agency's reports are based on all applicable GASB pronouncements.</p> <p>We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>

Required Item	Comments
<b>Qualitative aspects of accounting practices – Significant Unusual Transactions</b>	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>
<b>Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment</b>	<p>Accounting estimates made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those estimates.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change, such as estimates of certain receivable balances and certain operating and long-term liabilities. The most sensitive estimates affecting the Agency's financial statements were:</p> <ul style="list-style-type: none"> <li>• Actuarial assumptions and proportionate share calculations related to pension liabilities</li> <li>• Asset lives for depreciable capital assets</li> <li>• Estimates of certain receivable balances and allowances for uncollectible amounts</li> <li>• Estimates for certain operating and long-term liabilities</li> </ul> <p>Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.</p>
<b>Qualitative aspects of accounting practices - Financial Statement Disclosures</b>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <p><b>Note 2</b> which summarizes significant accounting policies</p> <p><b>Note 7</b> which summarizes long-term liabilities including pension obligations</p> <p>The financial statement disclosures are consistent and clear.</p>



Required Item	Comments
<b>Going concern</b>	<p>The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.</p> <p>We concur with management's assessment that the Agency will continue as a going concern for one year from the balance sheet date.</p>
<b>Significant risks</b>	<p>We have identified the following significant risks in connection with our audit:</p> <p>Management override of internal controls</p> <p>Improper revenue recognition to due to fraud</p> <p>The audit procedures apply as a result of the aforementioned significant risk were designed to and have used the risk of material misstatement to low.</p>
<b>Difficulties encountered in performing the audit</b>	<p>We encountered no significant difficulties in dealing with management relating to the performance of our audit.</p>
<b>Corrected and uncorrected misstatements</b>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.</p> <p>We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction. There are no such financial statement misstatements that remain uncorrected.</p> <p>In addition, we are required to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p>

<b>Required Item</b>	<b>Comments</b>
<b>Disagreements with management</b>	For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.
<b>Management representations</b>	We have requested certain representations from management that are included in the management representation letter.
<b>Management's consultations with other accountants</b>	In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no such consultations with other accountants.
<b>Auditor independence</b>	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Agency in accordance with relevant professional standards.
<b>Significant issues discussed with management prior to retention</b>	We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Entity and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.

## **Communication of Internal Control Matters**

**Communication of Internal Control Matters Identified in the Audit to  
Those Charged with Governance and Management**

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

In planning and performing our audit of the financial statements of the City of Yonkers Industrial Development Agency ("Agency") as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting ("internal control") as a basis for designing our auditing procedures 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

**PKF O'Connor Davies, LLP**  
Harrison, New York  
March XX, 2022

## **Management Representation Letter**



March 28, 2023

PKF O'Connor Davies, LLP  
500 Mamaroneck Avenue, Suite 301  
Harrison, New York 10528

This representation letter is provided in connection with your audit of the financial statements of the City of Yonkers Industrial Development Agency (the "Agency") which comprise the statements of net position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, (having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves) as of the date of this letter, the following representations made to you during your audit.

### **Our Responsibilities**

- We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated November 10, 2022:
  - The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
  - 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; and
  - The design, implementation, and maintenance of internal control to prevent and detect fraud.
- We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.



- In regard to the financial statement preparation non-attest services performed by you, we have:
  - Assumed all management responsibilities.
  - Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
  - Evaluated the adequacy and results of the services performed.
  - Accepted responsibility for the result of the services.
  
- We acknowledge our responsibility for presenting the financial statements and supplemental schedules in accordance with US GAAP, and we believe the financial statements and supplemental schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the financial statements and supplemental schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

#### **Financial Statements**

- The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
  - The Agency's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
  - There have been no changes during the period audited in the Agency's accounting policies and practices.
  - All material transactions have been recorded in the accounting records and are reflected in the financial statements.
  
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
  
- The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
  - The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - Guarantees, whether written or oral, under which the Agency is contingently liable, if any.
  - The effects of all known actual, possible, pending or threatened litigation, claims, and assessments.
  
- We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.
  
- We are in agreement with the adjusting journal entries you have proposes and they have been posted to the Agency's accounts.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
  - Completeness and availability of all minutes of the meetings of the Board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - All significant contracts and agreements
  - All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Agency's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- We have no knowledge of any fraud or suspected fraud that affects the Agency and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.
- We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

### Hosting Services

- We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.
- We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

### **Government—specific**

- We have a process to track the status of audit findings and recommendations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.
- We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The Agency is not part of any joint ventures with an equity interest.
- The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.

- We have identified the Agency is not a component unit of the City of Yonkers, New York in accordance with the criteria enumerated in GASB Statement No. 61 *"The Financial reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34"*.
- Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- Receivables and loan receivable recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of revenues, expenses and changes in net position within operating revenues and non-operating expenses.
- The Agency does not offer other postemployment benefits.
- We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- The Agency is a single fund entity with no internal activity.
- Deposits and investment securities are properly classified as to risk and are properly disclosed.
- Capital assets, including infrastructure and intangible assets, if any, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. There were no such impairment loss or insurance recoveries.
- Lease agreements have been appropriately accounted for and disclosed in accordance with the requirements of GASB Statement No. 87, *"Leases"*. The Agency made available all relevant information related to its leases.
- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

- Expenditures of federal awards were below the \$750,000 threshold for the year ended December 31, 2022, and we were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Very truly yours,

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The Honorable Ms. Cecile Singer  
Chairperson

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Ms. Jaime McGill  
Executive Director

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Ms. Siby Oommen  
Chief Fiscal Officer

## **About PKF O'Connor Davies, LLP**





Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,400 professionals and 18 offices in the U.S. Our team of top-notch professionals delivers a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

### REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

### PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

### KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 25th on *Accounting Today's* 2023 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

### INDUSTRY RECOGNITION

Ranked 25 of "2023's Top 100 Firms"  
*Accounting Today*, 2023

Ranked 5 of the "Top Firms in the Mid-Atlantic"  
*Accounting Today*, 2023

"America's Best Tax and Accounting Firms"  
*Forbes*, 2023

"Best Accounting Firm in Westchester"  
*914INC*, 2022

"Accounting/Due Diligence Firm of the Year"  
*The M&A Advisor*, 2022

"Best Business Consulting Firm for Family Offices"  
*Private Asset Management Awards*, 2022

"Best Accountancy Advisor"  
*Family Wealth Report Awards*, 2022

"Best Family Office Management Consultancy"  
*Family Wealth Report Awards*, 2022

"Best Places to Work in Westchester"  
*914INC*, 2023

"Best Places to Work in New Jersey"  
*NJBIZ*, 2022

Ranked 14 of the 50 "Best Accounting Employers to Work for in North America"  
*Vault*, 2023

# KNOW GREATER VALUE

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.

## ACCOUNTING AND ASSURANCE SERVICES

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
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- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit and Cybersecurity Reviews
- Peer Review
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits and Compliance

## ADMINISTRATION SERVICES

- Fund Administration Services
- Outsourced CFO Services
- Outsourced Portfolio Company Accounting

## ADVISORY SERVICES

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- Cybersecurity and Privacy Advisory Services
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- ESG, Sustainability and Impact Optimization
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Management Consulting Services
- Matrimonial Services
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- Recruiting and Human Resources Consulting
- Risk Advisory Services
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- Wealth Services
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights

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- Personal Financial Management
- Tax Planning
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- General Data Protection Regulation (GDPR)
- German Desk
- Latin America Desk
- Transfer Pricing

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- Exit Readiness and Transaction Planning
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- International Tax Services
- IRS Representation and Tax Controversies
- Personal Financial Planning
- Private Client/Business Owner Services
- Private Foundation Services
- State and Local Tax (SALT)
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- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

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**City of Yonkers Industrial Development Agency**

**Financial Statements  
and Supplementary Information  
With Report of Independent Auditors**

**December 31, 2022 and 2021**

DRAFT

# 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 xx, 2022** 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**  
Harrison, New York  
**March xx, 2023**

# 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.



**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>
<b>Non-current assets</b>		
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
<b>Total Non-Current Assets</b>	<u>2,679,414</u>	<u>3,274,431</u>
<b>Total Assets</b>	<u>8,138,047</u>	<u>8,509,227</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	460,206	542,818
<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
<b>Non-current liabilities</b>		
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
<b>Total Liabilities</b>	<u>1,302,685</u>	<u>1,471,455</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Lease related	169,748	-
Pension related	688,613	647,989
	<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	4,513,234	4,740,482
<b>Total Net Position</b>	<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
<b>Total Operating Revenues</b>	<b>1,380,167</b>	<b>3,487,950</b>
<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	-
<b>Total Operating Expenses</b>	<b>1,914,811</b>	<b>2,374,136</b>
<b>Income (Loss) from Operations</b>	<b>(534,644)</b>	<b>1,113,814</b>
<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)
<b>Total Non-Operating Revenues (Expenses), net</b>	<b>39,250</b>	<b>(21,404)</b>
<b>Change in Net Position</b>	<b>(495,394)</b>	<b>1,092,410</b>
<b>NET POSITION</b>		
Beginning of Year	6,932,601	5,840,191
End of Year	<u>\$ 6,437,207</u>	<u>\$ 6,932,601</u>

See notes to financial statements

**City of Yonkers Industrial Development Agency**

Comparative Statements of Cash Flows  
Year Ended December 31,

	<u>2022</u>	<u>2021</u>
<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)
	<u>(33,261)</u>	<u>1,604,649</u>
<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)
	<u>32,658</u>	<u>(83,682)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	64,875	9,816
	<u>64,875</u>	<u>9,816</u>
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	<u>\$ 5,139,106</u>	<u>\$ 5,074,834</u>
<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	<u>\$ 5,139,106</u>	<u>\$ 5,074,834</u>
<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	<u>\$ (33,261)</u>	<u>\$ 1,604,649</u>

See notes to financial statements

## 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       , 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:

	<u>2022</u>	<u>2021</u>
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	<u>126,882</u>	<u>126,825</u>
	<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	<u>11,041,124</u>	<u>-</u>	<u>11,041,124</u>
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	<u>8,009,901</u>	<u>552,660</u>	<u>8,562,561</u>
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	<u>11,039,914</u>	<u>1,210</u>	<u>11,041,124</u>
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	<u>7,457,155</u>	<u>552,746</u>	<u>8,009,901</u>
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	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	<u>89,758</u>	<u>-</u>
	<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

**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 (Concluded)  
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 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.

### **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 (Concluded)  
December 31, 2022 and 2021

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### **Note 12 - 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

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**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)	0.0024570%	0.0021987%	0.0021672%	0.0022820%	0.0025275%	0.0026327%	0.0026060%	0.0038741%
Agency's proportionate share of the net pension liability (asset)	\$ (200,851)	\$ 2,189	\$ 573,899	\$ 161,888	\$ 81,575	\$ 247,376	\$ 418,278	\$ 130,877
Agency's covered payroll	\$ 871,815	\$ 855,744	\$ 830,853	\$ 746,791	\$ 703,768	\$ 752,593	\$ 701,732	\$ 681,322
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-23.04%	0.26%	69.07%	21.65%	11.59%	32.87%	59.61%	19.21%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Schedule of Contributions

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 118,698	\$ 104,612	\$ 95,101	\$ 95,267	\$ 96,297	\$ 93,154	\$ 84,656	\$ 83,895
Contributions in relation to the contractually required contribution	(118,698)	(104,612)	(95,101)	(95,267)	(96,297)	(93,154)	(84,656)	(83,895)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll	\$ 985,793	\$ 967,257	\$ 819,284	\$ 807,967	\$ 708,814	\$ 687,779	\$ 758,089	\$ 751,107
Contributions as a percentage of covered payroll	12.04%	10.82%	11.61%	11.79%	13.59%	13.54%	11.17%	11.17%

(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.

**City of Yonkers Industrial Development Agency**

Other Supplementary Information

December 31, 2022

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**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>

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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

<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

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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 (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	14,551
Macys	1,229,408	1,055,936	173,472
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
Main Street Lofts	54,641	46,690	7,950
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	4,560
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	8,386
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	37,125
RXR Soyo	887,497	762,269	125,228
Sacred Heart	40,000	34,416	5,584
Sacred Heart - Shelter Rent	26,033	22,436	3,598
St. Casimirs, LP	91,334	78,447	12,887
Stagg Construction	174,691	150,041	24,649
Tacos El Poblanos	16,180	13,897.05	2,283.05
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

<u>Project</u>	<u>Total</u>	<u>City</u>	<u>County</u>
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	12,408

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

**Independent Auditors' Report**

**The 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 xx, 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**  
Harrison, New York  
March xx, 2023

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**City of Yonkers Industrial Development Agency**

**Schedule of Cash and Investments**

**Years Ended December 31, 2022 and 2021**

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**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 Schedule of Cash and Investments**

#### ***Opinion***

We have audited the Schedule of Cash and Investments ("Schedule") 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 Schedule.

In our opinion, the accompanying Schedule and related notes referred to above present fairly, in all material respects, the cash and investments of the Agency as of December 31, 2022 and 2021, 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 Schedule. 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 Schedule***

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

## ***Auditors' Responsibilities for the Audit of the Schedule***

Our objectives are to obtain reasonable assurance about whether the Schedule is 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 Schedule.

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 Schedule, 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 Schedule.
- 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 Schedule.

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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated **March xx, 2022** 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 with respect to the Schedule. 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**

Harrison, New York

**March xx, 2023**

**City of Yonkers Industrial Development Agency**

Schedule of Cash and Investments

December 31,

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	<u>2022</u>	<u>2021</u>
Cash and equivalents	\$ 4,779,542	\$ 4,719,399
Restricted cash	<u>359,564</u>	<u>355,435</u>
	<u>\$ 5,139,106</u>	<u>\$ 5,074,834</u>

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See accompanying notes.

## City of Yonkers Industrial Development Agency

Notes to Schedule of Cash and Investments  
Years Ended 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.

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

#### **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.

**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.

**The Agency does not have any investments at December 31, 2022 and 2021.**

## City of Yonkers Industrial Development Agency

Notes to Schedule of Cash and Investments (Continued)  
Years Ended December 31, 2022 and 2021

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

#### **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.

**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>2022</u>	<u>2021</u>
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 3 - 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.

**City of Yonkers Industrial Development Agency**

Notes to Schedule of Cash and Investments (Concluded)  
Years Ended December 31, 2022 and 2021

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**Note 3 - Subsequent Events (Continued)**

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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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Cash and Investments 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 Schedule of Cash and Investments ("Schedule") of the City of Yonkers Industrial Development Agency ("Agency") 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 Schedule, and have issued our report thereon dated **March xx, 2023**.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the Schedule, 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 Schedule, 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 Schedule 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 have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule. 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**PKF O'Connor Davies, LLP**  
Harrison, New York  
March xx, 2023

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# City of Yonkers Industrial Development Agency

Report to Those Charged with Governance

December 31, 2022

March xx, 2023

Prepared by

Robert A. Daniele, CPA

Partner

[rdaniele@pkfod.com](mailto:rdaniele@pkfod.com)



**KNOW  
GREATER  
VALUE**

March xx, 2023

**The Board of Directors and Executive Director  
City of Yonkers Industrial Development Agency**

We have audited the financial statements of the City of Yonkers Industrial Development Agency ("Agency") as of and for the year ended December 31, 2022 and have issued our report thereon dated March xx, 2023.

Professional standards require us to communicate with you regarding audit matters that are, in our professional judgment, significant and relevant to those charged with governance ("TCWG") in overseeing the financial reporting process. This communication is intended to provide you with these required communications as well as other findings and information regarding our audit.

We are pleased to be of service to you and the Agency and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of TCWG and management of the Agency, is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

**PKF O'Connor Davies, LLP**

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## Appendices

- 1 – Corrected Misstatements
- 2 – Management Representation Letter
- 3 – About PKF O'Connor Davies, LLP

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## Status of the Audit

### Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.

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## Required Communications and Other Matters

Required Item	Comments
<p><b>Auditor's responsibility under professional standards and planned scope and timing of the audit</b></p>	<p>We have communicated such information in our engagement letter to you dated November 10, 2022. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> <li>• Forming and expressing an opinion on the financial statements.</li> <li>• Obtaining reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud.</li> <li>• Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG").</li> <li>• Maintaining professional skepticism.</li> <li>• Communicating audit related matters that are, in our professional judgment, significant to TCWG.</li> </ul>
<p><b>Supplementary information accompanying the financial statements</b></p>	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>

Required Item	Comments
<p><b>Other supplementary information accompanying the financial statements</b></p>	<p>Our responsibility for the other supplementary information accompanying the financial statements 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.</p>
<p><b>Required supplementary information accompanying the financial statements</b></p>	<p>We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.</p>
<p><b>Other information in documents containing audited financial statements</b></p>	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>
<p><b>Our responsibilities under the Yellow Book</b></p>	<p>In connection with our audit we performed tests of the Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.</p>

Required Item	Comments
<p><b>Responsibilities of management and TCWG</b></p>	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> <li>• The fair presentation of the financial statements, including the selection of appropriate accounting policies.</li> <li>• Establishing and maintaining effective internal control.</li> <li>• Complying with laws, regulations, grants and contracts.</li> <li>• Providing the auditors with all financial records and related information and a signed representation letter.</li> <li>• Evaluate if there are any 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.</li> <li>• Setting the proper tone at the top.</li> <li>• Designing and implementing policies and controls to prevent and detect fraud.</li> </ul> <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>
<p><b>Qualitative aspects of accounting practices - Accounting Policies</b></p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 87, "Leases".</p> <p>The accounting policies of the Agency conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Agency's reports are based on all applicable GASB pronouncements.</p> <p>We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>
<p><b>Qualitative aspects of accounting practices – Significant Unusual Transactions</b></p>	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>



Required Item	Comments
<p><b>Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment</b></p>	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Agency's financial statements were:</p> <ul style="list-style-type: none"> <li>• Actuarial assumptions and proportionate share calculations related to pension liabilities</li> <li>• Asset lives for depreciable capital assets</li> <li>• Estimates of certain receivable balances and allowances for uncollectible amounts</li> <li>• Estimates for certain operating and long-term liabilities</li> </ul>
<p><b>Qualitative aspects of accounting practices - Financial Statement Disclosures</b></p>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> <li>• <b>Note 2</b> – which summarizes significant accounting policies</li> <li>• <b>Note 7</b> – which summarizes long-term liabilities including pension obligations</li> </ul> <p>The financial statement disclosures are consistent and clear.</p>
<p><b>Going concern</b></p>	<p>The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.</p> <p>We concur with management's assessment that the Agency will continue as a going concern for one year from the balance sheet date.</p>



Required Item	Comments
<b>Significant risks</b>	<p>We have identified the following significant risks in connection with our audit:</p> <p>Management override of internal controls</p> <p>Improper revenue recognition to due to fraud</p> <p>The audit procedures apply as a result of the aforementioned significant risk were designed to and have used the risk of material misstatement to low.</p>
<b>Difficulties encountered in performing the audit</b>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<b>Corrected and uncorrected misstatements</b>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.</p> <p>We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction. There are no such financial statement misstatements that remain uncorrected.</p> <p>In addition, we are required to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.</p> <p>In addition, corrected misstatements that were brought to the attention of management as a result of our audit procedures are also included in Appendix 1.</p>
<b>Disagreements with management</b>	<p>For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.</p>
<b>Management representations</b>	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 2).</p>

Required Item	Comments
<b>Management's consultations with other accountants</b>	In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.
<b>Auditor independence</b>	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.
<b>Significant issues discussed with management prior to retention</b>	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Entity's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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## Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Yonkers Industrial Development Agency's ("Agency") 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 Entity's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

Harrison, New York  
March xx, 2023

## On the Horizon

### **GASB Statement No. 96 – Subscription-Based Information Technology Arrangements (“SBITA”)**

A SBITA is defined as a contract that conveys control of the right to use another party’s information technology (“IT”) software, alone or in combination with tangible capital assets (the underlying IT assets), as specific in the contract for a period of time in an exchange or exchange-like transaction. The subscription term not only includes the period during which a government has a noncancellable right to use the asset, but also include periods covered by an option to extend or terminate.

Under this Statement, a government generally should recognize the right-to-use subscription asset as an intangible asset and a corresponding subscription liability. The liability should be recognized at the commencement of the subscription term, which is when the subscription asset is placed into service. The liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. Any future payments should be discounted using the interest rate charged, or if not readily determinable, the government’s incremental borrowing rate should be used.

The subscription asset will be measured as the sum of the liability amount, payments made to the vendor prior to commencing the subscription term and any implementation costs, offset by any incentives received from the vendor. The amortization of the subscription asset would then be reported as an outflow of resources over the subscription term.

The Statement does provide an exception for short-term SBITAs, which have maximum contractual terms of 12 months or less, including any option to extend regardless of their probability of being exercised. Any payments for these short-term SBITAs would be recognized as outflows of resources.

Further, the Statement provides for additional disclosure requirements detailing descriptive information about the SBITA, including but not limited to the amount of the subscription asset, accumulated amortization, other payments not included in the measurement liability, principal and interest requirements and any other essential information.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. The provisions of this Statement are **effective for fiscal years beginning after June 15, 2022 (i.e., the Agency’s financial statements for the year ended December 31, 2023).**

## Appendix 1

### Corrected Misstatements

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**City of Yonkers Industrial Development Agency  
Corrected Misstatements  
December 31, 2022**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 2</b>			
GASB 68 Adjustment			
490	Net Pension Asset	200,851.00	
5010	GASB 68 Pension Liability	2,189.00	
3012	GASB 68 - Perpaid Expense		82,612.00
5302	GASB 68 Deferred Income		40,624.00
8125	Pension Costs		79,804.00
<b>Total</b>		<b>203,040.00</b>	<b>203,040.00</b>
<b>Adjusting Journal Entries JE # 4</b>			
To move 108 note payable principle payment from interest expense to			
5200	Sec 108 Note Payable - Pier	75,000.00	
9210	Pier Proj Sec 108 Note Int Exp	50.00	
5007	Pier Accrued Expenses		50.00
9210	Pier Proj Sec 108 Note Int Exp		75,000.00
<b>Total</b>		<b>75,050.00</b>	<b>75,050.00</b>
<b>Adjusting Journal Entries JE # 10</b>			
To book GASB 87 Entries			
7200	Pier License Fee	180,000.00	
999999	Lease Receivable GASB 87	339,497.00	
999999	Deferred inflow of resources Leases GA	169,749.00	
7200	Pier License Fee		169,749.00
999999	Lease Receivable GASB 87		166,420.00
999999	Deferred inflow of resources Leases GA		339,497.00
99999999	Lease Interest Revenue		13,580.00
<b>Total</b>		<b>689,246.00</b>	<b>689,246.00</b>
<b>Adjusting Journal Entries JE # 11</b>			
To accrue legal services per legal confirmation from Harris Beach			
8500	Legal Fees	37,125.00	
5000	Accounts Payable		37,125.00
<b>Total</b>		<b>37,125.00</b>	<b>37,125.00</b>

## Appendix 2

### Management Representation Letter

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## Appendix 3

### About PKF O'Connor Davies, LLP

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Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,400 professionals and 18 offices in the U.S. Our team of top-notch professionals delivers a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

### REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

### PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

### KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 25th on *Accounting Today's* 2023 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always **Know Greater Value.**

### INDUSTRY RECOGNITION

Ranked 25 of "2023's Top 100 Firms"  
*Accounting Today*, 2023

Ranked 5 of the "Top Firms in the Mid-Atlantic"  
*Accounting Today*, 2023

"America's Best Tax and Accounting Firms"  
*Forbes*, 2023

"Best Accounting Firm in Westchester"  
*914INC.*, 2022

"Accounting/Due Diligence Firm of the Year"  
*The M&A Advisor*, 2022

"Best Business Consulting Firm for Family Offices"  
*Private Asset Management Awards*, 2022

"Best Accountancy Advisor"  
*Family Wealth Report Awards*, 2022

"Best Family Office Management Consultancy"  
*Family Wealth Report Awards*, 2022

"Best Places to Work in Westchester"  
*914INC.*, 2023

"Best Places to Work in New Jersey"  
*NJBIZ*, 2022

Ranked 14 of the 50 "Best Accounting Employers to Work for in North America"  
*Vault*, 2023

# KNOW GREATER VALUE

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



## ACCOUNTING AND ASSURANCE SERVICES

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit and Cybersecurity Reviews
- Peer Review
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits and Compliance



## ADMINISTRATION SERVICES

- Fund Administration Services
- Outsourced CFO Services
- Outsourced Portfolio Company Accounting



## ADVISORY SERVICES

- Bankruptcy and Restructuring
- Cybersecurity and Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- ESG, Sustainability and Impact Optimization
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Management Consulting Services
- Matrimonial Services
- Operational and Cost Effectiveness
- PPP Loan Forgiveness Services
- Private Client/Business Owner Services
- Recruiting and Human Resources Consulting
- Risk Advisory Services
- Strategy and Transformation
- System Organization Control (SOC) Reports
- Transaction and Financial Advisory Services
- Virtual Chief Information Security Officer Services (vCISO)
- Wealth Services
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights



## FAMILY OFFICE SERVICES

- Accounting and Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring and Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning



## INTERNATIONAL SERVICES

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Latin America Desk
- Transfer Pricing



## INVESTMENT BANKING SERVICES

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory



## TAX COMPLIANCE AND PLANNING SERVICES

- Employee Benefit Planning and Tax Compliance
- International Tax Services
- IRS Representation and Tax Controversies
- Personal Financial Planning
- Private Client/Business Owner Services
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance and Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

"PKF O'Connor Davies" is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



pkfod.com

## **2022 Annual Report Summary**

This report is being submitted in accordance with PAAA requirements.

### **Operations and Accomplishments**

#### **Operations**

The City of Yonkers Industrial Development Agency 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 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 of Yonkers. All of the local zoning and planning regulations, as well as the regional and local comprehensive land use plans, are taken into consideration to carry out the duties of the agency.

Organized in a manner consistent with the statute, the Mayor of Yonkers appoints a six member Board of Directors comprised of both public officials and business leaders. This Board governs the IDA by establishing official policies, 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.

The IDA's mission is to generate economic development and job growth throughout the City of Yonkers by attracting new businesses; retaining existing ones and helping them all become competitive in a global marketplace. The agency accomplishes this mission by offering financial assistance in the form of Sales and Use Tax Exemptions, Mortgage Recording Tax Exemptions and Payment-In-Lieu-Of-Tax agreements (PILOTs) and by facilitating the issuance of tax exempt Industrial Development Bonds (IDB's)

The IDA held a board meeting on October 31, 2022 and approved the 2023 budget. Board members reviewed and approved the 2022 Annual Report, as well as the Real Property and Investment Reports at its March 28<sup>th</sup>, 2023 meeting.

**Accomplishments**

In 2022, the Agency received the following EIGHT applications for inducement and approval:

- |                          |                          |                           |
|--------------------------|--------------------------|---------------------------|
| 1. 1969 Central Park Ave | 2. St. Clair Development | 3. Warburton Apartments   |
| 4. Plant Manor – Phase 2 | 5. Wheeler Block         | 6. Mary the Queen Housing |
| 7. WY Manor              | 8. Vineyard Holdings     |                           |

The Agency closed on four new projects during the year:

<b>1. Horizon @ Ridge Hill</b>	<b>Total Investment</b>	<b>\$75.6 M</b>
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The Project will comprise approx. 225,000 square feet, be 14-stories high, and be constructed over a period of two years. The tower will comprise entirely of rental residential units, including 18 affordable units, and common spaces. Residents will have access to the amenities at the adjoining Amenity Building, which include a gym, children’s playroom, a movie theater, and a pool, among other amenities. The Project, which is located in the Planned Multi-Use Development (“PMD”) Zoning District, has received all necessary municipal approvals. The Project will add another exciting residential component to the Monarch at Ridge Hill community, which is located between the Ridge Hill commercial complex and Interstate 87. The Project will enhance the local economy, while being entirely compatible with the character of the surrounding neighborhood and the PMD Zoning District.

<b>2. KCT Inc - Cubesmart</b>	<b>Total Investment</b>	<b>\$18.3M</b>
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The project would involve demolition of the existing 9,820 sq. ft. structure while replacing it with a brand new approximately 100,000 sq. ft., 7-story or 8-story steel and concrete structure. On .55 acres, the high-level project parameters are outlined as follows: An estimated 750-900 units, which consist of a mix of small and large size storage. CubeSmart, in conjunction with the ownership group, have performed a preliminary analysis to determine the optimal unit-size mix, rental rates and operating expenses, to provide a marketable product which will best meet the needs of residents and businesses within the greater Yonkers Community. Sanitation, water, and fire prevention will be operated through onsite waste system and onsite water and fire service, therefore the burden for public services is anticipated to be minimal.

<b>3. 1969 Central Park Ave LLC</b>	<b>Total Investment</b>	<b>\$15.7M</b>
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This project will entail 91,181 sq. ft. of modern self-storage space. The first floor will consist of retail space of 5,815 sq. ft. and there will also be Tesla supercharging stations in the parking lot for EV cars.

**4. Yonkers Joint School Construction Board Total Investment**

**\$46.2M**

The first bond for this project was issued on September 2021 for \$25M. The second bond was issued on December 2022 for \$46.2M. The Justice Sonia Sotomayor Community School is expected to open for September 2023.

**Other Accomplishments**

The YIDA Scholarship Program was in its 21st consecutive year. YIDA awarded a total of \$25,000 in scholarships to 10 high school seniors from the Yonkers Public Schools and Sacred Heart High School in June 2022. The scholarships were funded by an agency agreement with a company, which previously received financial incentives through YIDA. Under the terms of the agreement, the company will continue to fund the scholarship program each year through 2034 (\$25,000).

In support of the projects and their success, YIDA staff proudly attended the ribbon cutting of the Enslaved Africans' Rain Garden, as well as the groundbreaking of the Justice Sonia Sotomayor Community School and Miroza residential project at Ridge Hill.

In an effort to attract new development to the City, YIDA continually participates in outreach efforts to encourage new investment.



470 Nepperhan Avenue, Suite 200  
Yonkers, New York 10701  
[www.yonkersida.com](http://www.yonkersida.com)

p. 914.509.8651  
f. 914.509.8650  
[e. info@yonkersida.com](mailto:info@yonkersida.com)

## 2022 Yonkers IDA Annual Report

### CERTIFICATE OF CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER

#### Yonkers Industrial Development Agency

The undersigned, being the duly appointed chief executive officer and chief fiscal officer of the Yonkers Industrial Development Agency (the "Agency"), hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

The financial information provided within the Annual Report of the Agency, dated as of March 28th, 2023 is accurate, correct, and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact, which, if omitted, would cause the report to be misleading in light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the period presented in said report.

The Annual Report is hereby approved.

IN WITNESS WHEREOF, the undersigned chief executive officer and chief fiscal officer have executed this Certificate as of the 28th day of March, 2023.

\_\_\_\_\_  
Cecile Singer  
IDA Board Member, Audit Committee Chair

\_\_\_\_\_  
Siby S. Oommen  
Chief Fiscal Officer YIDA



**RESOLUTION**

*(Termination of Lease Agreement and Tax Agreement for Hudson North LLC and Termination of Lease Agreement for Hudson Park Investors LLC)*

A regular meeting of the City of Yonkers Industrial Development Agency was convened on March 30, 2023.

The following resolutions were duly offered and seconded, to wit:

**Resolution No. 03/2023 - 06**

**TAKING OFFICIAL ACTION TO (A) (i) TERMINATE THE LEASE AGREEMENT AND TAX AGREEMENT FOR THE REAL PROPERTY COMMONLY KNOWN AND DESCRIBED AS 1 SOUTH ALEXANDER STREET, AND 1 ALEXANDER STREET YONKERS, NEW YORK (SBL: 2-.2600-45, 2-.2605-73); (ii) TERMINATE THE LEASE AGREEMENT FOR THE REAL PROPERTY COMMONLY KNOWN AND DESCRIBED AS 1 VAN DER DONCK STREET AND 1 PIERPONTE STREET (SBL: 2-.2600-1, 2-.2600-5); (iii) EXECUTE LEASE TERMINATION AGREEMENTS, A PILOT TERMINATION AGREEMENT AND RELATED FORMS IN CONNECTION THEREWITH; AND (B) (i) EXECUTE A DEED TRANSFERRING FEE TITLE TO 1 SOUTH ALEXANDER STREET, AND 1 ALEXANDER STREET TO HUDSON NORTH LLC, AND (ii) EXECUTE A DEED TRANSFERRING FEE TITLE TO 1 VAN DER DONCK STREET AND 1 PIERPONTE STREET (SBL: 2-.2600-1, 2-.2600-5) TO HUDSON PARK INVESTORS LLC**

WHEREAS, by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “State”), as amended, and Chapter 83 of the Laws of 1982 of the State, as amended (hereinafter collectively called the “Act”), the CITY OF YONKERS INDUSTRIAL DEVELOPMENT AGENCY (the “Agency”) was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, the Agency as lessor, conveyed a leasehold interest in certain real property commonly known and described as 1 Van der Donck Street and 1 Pierponte Street, Yonkers, New York (SBL: 2-.2600-1 and 2-.2600-5) (the “Hudson South Property”) to HUDSON PARK INVESTORS LLC (the “Hudson South”) as lessee, pursuant to a certain Lease Agreement dated as of May 1, 2002, a memorandum of which was recorded on May 14, 2003, in the Office of the Westchester County Clerk at Control Number 430580258 (the “Hudson South Lease Agreement”), as amended by the First Amendment to Sublease Agreement dated August 7, 2003, which was not recorded, as further amended by the Second Amendment to Company Lease dated March 28, 2005, which was also not recorded, as further amended by the Third Amendment to Lease Agreement, dated as of December 29, 2011, a memorandum of which was recorded on February 7, 2012, in the Office of the Westchester County Clerk at Control Number 513493091, as further amended by the Fourth Amendment to Lease Agreement, dated as of March 24, 2016, a memorandum of which

was recorded on May 9, 2016, in the Office of the Westchester County Clerk at Control Number 560753297; and

WHEREAS, contemporaneously with the execution of the Lease Agreement, the Agency and Hudson South entered into a Payment In Lieu of Tax Agreement, dated as of May 1, 2002, pursuant to which Hudson South agreed to make payments for the benefit of Westchester County (the “County”), the City of Yonkers (the “City”) and the Yonkers City School District (“the School District”, and together with the County and the City, the “Affected Taxing Jurisdictions”) in lieu of ad valorem real property taxes (the “Hudson South PILOT Agreement”), as amended by the First Amendment to Payment In Lieu of Tax Agreement, dated as of August 1, 2003, as further amended by the Second Amendment to Payment In Lieu of Tax Agreement, dated as of March 28, 2005, as further amended by the Third Amendment to Payment In Lieu of Tax Agreement, dated as of December 30, 2011; and

WHEREAS, the Hudson South PILOT Agreement has expired; and

WHEREAS, Hudson South has requested that the Agency terminate the Hudson South Lease Agreement and execute a certain termination of lease agreement (the “Termination of Hudson South Lease Agreement”); and

WHEREAS, the Agency as lessor, conveyed a leasehold interest in certain real property commonly known and described as 1 South Alexander Street, and 1 Alexander Street, Yonkers, New York (SBL: 2-.2600-45 and 2-.2605-73) (the “Hudson North Property”) to HUDSON NORTH LLC, as successor in interest to Collins Yonkers II LLC. (“Hudson North” and together with Hudson South, the “Companies”) as lessee, pursuant to a certain Lease Agreement dated as of June 1, 2006, a memorandum of which was recorded on September 19, 2006, in the Office of the Westchester County Clerk at Control Number 462420772 (the “Hudson North Lease Agreement”), as amended by the Amendment to Sublease Agreement, dated as of September 19, 2007 a memorandum of which was recorded on February 8, 2008, in the Office of the Westchester County Clerk at Control Number 480310263, as further amended by the Second Amendment to Lease Agreement, dated as of December 4, 2008, a memorandum of which was recorded on January 8, 2009, in the Office of the Westchester County Clerk at Control Number 483610373, as further amended by the Third Amendment to Lease Agreement, dated as of December 29, 2011, a memorandum of which was recorded on April 18, 2012, in the Office of the Westchester County Clerk at Control Number 513493096, as further amended by the Fourth Amendment to Ground Lease Agreement, dated as of September 14, 2015, a memorandum of which was recorded on December 23, 2015, in the Office of the Westchester County Clerk at Control Number 552513362, as further amended by the Fifth Amendment to Ground Lease Agreement, dated as of March 24, 2016, a memorandum of which was recorded on May 9, 2016, in the Office of the Westchester County Clerk at Control Number 560753287; and

WHEREAS, contemporaneously with the execution of the Lease Agreement, the Agency and Hudson North entered into a Payment In Lieu of Tax Agreement, dated as of June 1, 2006, pursuant to which Hudson North agreed to make payments for the benefit of the Affected Taxing



Jurisdictions in lieu of ad valorem real property taxes (the “the Hudson North PILOT Agreement”), as amended by the First Amendment to Payment In Lieu of Tax Agreement, dated as of December 1, 2009, as further amended by the Second Amendment to Payment In Lieu of Tax Agreement, dated as of December 30, 2011; and

WHEREAS, the Hudson North Lease Agreement and Hudson North PILOT Agreement was terminated with respect to 1 Peene Lane and 26 Water Grant (SBL: 2.-2600-67 and 2.-2600-77) pursuant to the Third Amendment to Lease Agreement and the Second Amendment to Payment In Lieu of Tax Agreement; and

WHEREAS, Hudson North has requested that the Agency terminate the Lease Agreement and execute a certain termination of lease agreement (the “Hudson North Termination of Lease Agreement”), and PILOT termination agreement (the “Hudson North PILOT Termination Agreement”) in connection therewith; and

WHEREAS, pursuant to a Land Disposition and Development Agreement, dated as of September 29, 2000 (“LDDA”), as amended from time to time, by and between Yonkers Community Development Agency (“CDA”) and the Agency, fee title to the Hudson South Property may be transferred to Hudson South; and

WHEREAS, pursuant to a Land Disposition Agreement, dated as of June 30, 2006 (“LDA”), as amended from time to time, by and between Yonkers Community Development Agency (“CDA”) and the Agency, fee title to the Hudson North Property may be transferred to Hudson North; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AGENCY AS FOLLOWS:

Section 1. The Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency to terminate the Hudson North Lease Agreement, Hudson North PILOT Agreement, and the Hudson South Lease Agreement and execute Lease Termination Agreements for the Hudson North Lease Agreement and Hudson South Lease Agreement, and a PILOT Termination Agreement for the Hudson North PILOT Agreement and related documents necessary and incidental to the termination of the above.

Section 2. The Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency to execute a bargain and sale deed to transfer fee title to the Hudson North Property to Hudson North and execute a bargain and sale deed to transfer fee title to the Hudson South Property to Hudson South, subject to the confirmation that all obligations contained in the LDA and LDDA have been satisfied.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of

the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 4. This resolution shall be effective immediately.

The question of the adoption of the foregoing resolutions was duly put to a vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>	<i>Absent</i>
Mayor Mike Spano	[ ]	[ ]	[ ]	[ ]
Marlyn Anderson	[ ]	[ ]	[ ]	[ ]
Melissa Nacerino	[ ]	[ ]	[ ]	[ ]
Hon. Cecile D. Singer	[ ]	[ ]	[ ]	[ ]
Henry Djonbalaj	[ ]	[ ]	[ ]	[ ]
Robert Espiritu	[ ]	[ ]	[ ]	[ ]
Victor Gjonaj	[ ]	[ ]	[ ]	[ ]

The resolutions were thereupon duly adopted.

**CERTIFICATION**

*(Termination of Lease Agreement and Tax Agreement for Hudson North LLC and Termination of Lease Agreement for Hudson Park Investors LLC)*

STATE OF NEW YORK                    )  
COUNTY OF WESTCHESTER        ) ss.:

I, MARLYN ANDERSON, the undersigned Secretary of the City of Yonkers Industrial Development Agency DO HEREBY CERTIFY:

That I have compared the annexed extract of minutes of the meeting of the City of Yonkers Industrial Development Agency (the “Agency”), including the resolution contained therein, held March 30, 2023, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with such Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Agency this \_\_ day of \_\_\_\_\_ 2023.

\_\_\_\_\_  
Marlyn Anderson, Secretary

[SEAL]