



# **Audit Committee Meeting**

## **Preliminary**

### **Agenda**

April 15, 2024  
at 12:00 p.m.

*Agenda Subject to Change*

- 1) Roll Call
- 2) Approval of Minutes for December 14, 2023 Meeting
- 3) Review and Discussion of Report to Audit Committee:
  - 2023 Internal Control Letter
  - Draft Audited Financial Statements for 2023
- 4) Other Business
- 5) Adjournment

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STATE OF NEW YORK  
CITY OF YONKERS

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Minutes of  
The City of Yonkers IDA  
Audit Committee Meeting  
December 14, 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:

CECILE SINGER - Chairperson  
MELISSA NACERINO - Member  
VICTOR GJONAJ - Member

I D A S T A F F:

JAIME MCGILL - IDA Executive Director  
ROBERT DANIELE, ESQ. - PKF O'CONNOR DAVIES

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MEETING

CHAIR SINGER: I'd like to call the meeting of the IDA's Audit Committee to order. The first order of business is the roll call.

MS. MCGILL: We have Cecile Singer.

CHAIR SINGER: Here.

MS. MCGILL: Melissa Nacerino.

MS. NACERINO: Here.

MS. MCGILL: Victor Gjonaj.

MR. GJONAJ: Here.

MS. MCGILL: Madam Chair, we have quorum.

CHAIR SINGER: All right. We have a quorum. And so I would like you to look at the minutes. Do you have any questions, any additions or corrections?

MS. NACERINO: I'll make a motion to accept them.

CHAIR SINGER: All right. Melissa has made a motion. May I have a second? Great.

MR. GJONAJ: Second.

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MEETING

CHAIR SINGER: All in favor?

(A chorus of ayes.)

CHAIR SINGER: Any nays? So the minutes are accepted as submitted.

The next order of business is the engagement letter.

MS. MCGILL: We have Rob Daniele from PKF O'Connor Davies here to present the engagement letter for 2023.

MR. DANIELE: Okay. So thank you, thank you. I guess before you is our engagement letter. The audit scope and the objectives are consistent with what we did last year. There are a few new requirements that we'll look into if it applies to the IDA dealing with leases, which I think we dealt with last year, and if there's any subscription-based information technology that we need to look at and record through the books and

## MEETING

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2 records. So that's really the  
3 difference in scope, additional  
4 reporting.

5 The fee went up I believe  
6 \$1,000 more or \$1,500 more than the  
7 previous year just to account for  
8 normal increases in any new items  
9 that we run into, especially with  
10 what I just discussed, about leases  
11 and subscription based technology.

12 CHAIR SINGER: All right. So  
13 most of it is fairly routine. I  
14 would direct everybody to page nine.  
15 My questions are for 2023, you know,  
16 we had -- what do you propose for the  
17 new year? I want to know how many  
18 senior partner hours we're going to  
19 have, how many manager hours, how  
20 many supervisors, senior accountant  
21 and associate.

22 MR. DANIELE: Okay. If you  
23 turn to page 8 -- I'm in the actual  
24 EDC. If we turn to page 80, our fee  
25 is fixed at 35,000. The plan is that

## MEETING

1  
2 we're going to have two partners on  
3 the account, we're going to have a  
4 manager that will be in the field.  
5 Actually, a manager and a supervisor  
6 and a staff person, so there will be  
7 three people for at least a week. We  
8 try to also do the Economic  
9 Development Corp. within a week or  
10 maybe the subsequent week. I'll be  
11 your field partner and then there's  
12 Chris also who will assist me for  
13 meetings and things like that...who would  
14 assist me with meetings and presentations.

15 CHAIR SINGER: So I would like  
16 a written outline of hours.

17 MR. DANIELE: Sure. We can do that.

18 CHAIR SINGER: I want to know  
19 what we can expect, because it's one  
20 thing, your fee is fair, but the fee  
21 is based upon your experience,  
22 certainly, but also on the hours that  
23 are allocated here. And that's what  
24 gives us comfort that when we have an  
25 audit, that it has value and that

1 MEETING

2 it's been looked at and somebody has  
3 been here guiding it at different  
4 points.

5 MR. DANIELE: Sure, yeah.

6 That's not a problem. We'll break it  
7 down by hours. We try to be fair,  
8 like give you a fixed price, so if  
9 we're over we're not going to  
10 additional bill you, so --

11 CHAIR SINGER: No, I understand  
12 that --

13 MR. DANIELE: It's on us, but  
14 absolutely we'll give you --

15 CHAIR SINGER: -- but the value  
16 of what you do and how we make a  
17 judgment is based upon the allocation  
18 --

19 MR. DANIELE: Absolutely, the  
20 team work.

21 CHAIR SINGER: -- of hours  
22 because that's the only way we can  
23 make a judgment about what's  
24 happening and who is looking at all  
25 of this, so when you give us an

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MEETING

opinion, we depend upon the opinion.  
But we depend on the fact and we have  
a contract with you because we want  
to be sure of what kind of  
supervision there is, what kind of  
interaction there is, and from what  
levels that comes.

MR. DANIELE: Sure. Okay.

CHAIR SINGER: And so that's  
the basis for all this.

MR. DANIELE: Absolutely.

CHAIR SINGER: All right. So  
if you will submit that to us, we'll  
appreciate it.

MR. DANIELE: Okay. Thank you.

CHAIR SINGER: Are there any  
questions about the engagement  
letter?

MS. NACERINO: No additional  
questions. I'll make a motion to  
accept it.

MR. GJONAJ: Second it.

CHAIR SINGER: All right. And  
do we have all in favor of



MEETING

1  
2 accepting it?

3 (A chorus of ayes.)

4 CHAIR SINGER: Any nays? All  
5 right, so then -- so we look forward  
6 to having you again, and you're going  
7 to go over the audit plan.

8 MS. MCGILL: So our next item  
9 is the review and discussion of the  
10 audit plan which Rob Daniele from  
11 O'Connor Davies will review.

12 MR. DANIELE: Okay. So I put  
13 together a PowerPoint. I have extras  
14 if you don't have them in front of  
15 you.

16 So again, good afternoon and  
17 thank you for having me present the  
18 audit plan for the Yonkers Industrial  
19 Development Agency. Again, this will  
20 be for the fiscal year ending  
21 December 31st, 2023.

22 If we turn to page two we'll go  
23 over audit methodology, get an  
24 overview of the audit process, we'll  
25 talk about the report we're going to

## MEETING

1  
2 issue, our scope and focus, we'll  
3 talk about the time table. These are  
4 public authorities, so your year-end  
5 is December 31st. Everything needs  
6 to be filed by March 31st because  
7 it's a public authority, so we'll  
8 plan that out as far as the audit  
9 process. And then we'll just close  
10 on what our responsibilities are and  
11 what your responsibilities as  
12 management of the IDA.

13 Again, if you turn to page  
14 three and page four is our audit  
15 methodology. Page three is a flow  
16 chart, page four is the narrative.  
17 But we basically come in and do some  
18 preliminary work gaining or adding  
19 our understanding of any new  
20 developments that the IDA has had  
21 over the course of the year. We look  
22 at your payroll, claims, we look to  
23 make sure that things need to be bid  
24 out were bid for, and any changes to  
25 your policies and procedures we like

## MEETING

1  
2 to get updates on those.

3 We're going to come in and  
4 identify the significant audit areas.  
5 We don't look at every single  
6 transaction, but we want to focus on  
7 the ones that pertain to the most  
8 risk. We look at your cash at a  
9 hundred percent and we confirm all of  
10 your cash balances with a third  
11 party. We make sure all that all of  
12 those balances are collateralized as  
13 required in New York State.

14 So we're going to assess  
15 financial risk, we're going to look  
16 at the high areas, we're going to do  
17 some test of internal controls, as I  
18 mentioned, looking at your payroll,  
19 your claims, your cash receipts.  
20 Based on all that we're going to  
21 develop an audit plan. We're going  
22 to execute the plan. If everything that we  
23 sample turns out to be what we expect  
24 we're going do move forward, we're  
25 going to do our analytical

## MEETING

1  
2 procedures, we're going to document  
3 any findings, we're going to finish  
4 the report and issue our report as  
5 well as the notes and any comments.

6 If things don't go as expected  
7 we're going to go back, reassess  
8 risk, we'll have to increase our  
9 sample size or drill down deeper into  
10 account analysis. I can tell you  
11 over the past couple of years things  
12 have been in order, so internal  
13 controls appear to be operating as  
14 designed and we didn't have to take  
15 that deep step.

16 Page four again is just the  
17 narrative of the chart. I just  
18 mentioned some of the things we did,  
19 that we're going to identify some of  
20 the significant audit areas to  
21 determine a level of materiality.  
22 Like I said, we don't look at every  
23 transaction, but we look at enough to  
24 give us a comfort level.

25 We're going to do a lot of

## MEETING

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2 substantive work, we're going to do  
3 analytical procedures just to make  
4 sure they're in line with last year,  
5 and if something went up or down,  
6 what caused that, and that's one of  
7 our processes.

8 Page five, the reports that we  
9 issue, we're going to issue our audit  
10 reports with the numbers, but we're  
11 opining and giving you an opinion.  
12 So we're going to draft within the  
13 financial numbers what's termed an  
14 independent auditor's report on the  
15 financial statements. If you  
16 remember, the Yonkers Pier  
17 Development was kind of rolled into  
18 the IDA, so we'll look at those  
19 activities and report on those within  
20 the IDA's books and records.

21 There's certain required and  
22 other supplemental information. You  
23 are part of the New York State  
24 retirement system, or the IDA is part  
25 of the retirement system. We get

## MEETING

1  
2 information from the state and we  
3 have to record that through your  
4 books and records, your proportional  
5 share of the retirement system as it  
6 relates to all of New York State.  
7 And then you have those back  
8 schedules where you do the industrial  
9 revenue bonds for new projects, any  
10 straight lease transactions or  
11 payments in lieu of taxes. So that's  
12 something we don't necessarily audit,  
13 but we make sure those numbers tie to  
14 what's recorded in the front of the  
15 financial statements. So we do look  
16 at it, we read it, we proof it.

17 We also issue what's termed a  
18 report on internal control over  
19 financial reporting in accordance  
20 with government auditing standards.  
21 Again, if there's any comments we'll  
22 bring that to your attention.

23 And because you are a public  
24 authority we also have to issue what  
25 is termed as investment guideline

## MEETING

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2 report. And you're pretty much bound  
3 by New York State guidelines so  
4 most of your money is already  
5 collateralized and things like that,  
6 you can't invest it in the stock  
7 market and what have you so you're  
8 limited, but we do have to report on  
9 that.

10 Page six, our scope and focus,  
11 as I said, these are some of the  
12 areas that we look at, cash,  
13 restricted cash, we confirm these  
14 balances through a third party. We  
15 also get the collateral agreements to  
16 make sure that you're covered. We  
17 look at accounts receivable to make  
18 sure those are collected. So your  
19 fiscal year is December 31st. We  
20 come in probably in February into  
21 March so we look at activities that  
22 happened in January, February, March  
23 to make sure that if you have it  
24 recorded, you actually collected it,  
25 and if you didn't collect it within

## MEETING

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2 60 or 90 days, why. So that's  
3 something that we look at.

4 If you have loans with other  
5 entities like the Economic  
6 Development Corp. or any  
7 Yonkers-related entities, we tie all  
8 those in, we confirm them with those  
9 other entities. You have capital  
10 assets so we make sure that anything  
11 that was spent in the current year is  
12 added to those assets and depreciated  
13 accordingly.

14 You do have amounts due to  
15 other entities as well as some loans  
16 payable to the Yonkers Pier  
17 Development and New York Power  
18 Authority. So we make sure that  
19 those are being paid in accordance  
20 with those amortization schedules.

21 As I said before, you're part  
22 of the retirement system, so we get  
23 some information from the state that  
24 we have to report state pension based  
25 on GASB statement number 68.



## MEETING

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2           And then we also look at your  
3           operating revenues, what you get from  
4           closing fees, refinancing fees,  
5           management and administration fees.  
6           And a bulk of your expenses are your  
7           salaries, so we look at those  
8           salaries, employee benefits, any  
9           rent, any consulting fees and  
10          professional fees.

11          The IDA also operates the  
12          Workforce Investment Grant. So  
13          that's another little area that we  
14          kind of audit and have to incorporate  
15          into the IDA's books and records.  
16          And that's a grant that's on a cost  
17          reimbursement basis, so money goes  
18          out, money is then claimed to offset  
19          those expenses.

20          As I mentioned before, the last  
21          two items, these are new  
22          pronouncements. The bottom one takes  
23          effect this year. Last year there  
24          was a lease pronouncement, so if you  
25          entered into any leases, it's a

## MEETING

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2 little different accounting for it  
3 and we'll have to look at that. As  
4 well as if you have any cloud-based  
5 technology, information technology,  
6 that's a new requirement that those  
7 items get capitalized. So that's  
8 something we'll work with Jaime and  
9 Siby if it applies.

10 CHAIR SINGER: So in operating  
11 revenue, when you look at that, our  
12 operating revenue has grown  
13 considerably. We also are in an  
14 environment where there's a great  
15 deal of change, and we depend upon  
16 the underlying financing of the  
17 entities that we are granting  
18 privilege to, loans to. So do you  
19 look at the basis for any of that?

20 MR. DANIELE: Yes, we look at  
21 the agreements, we recalculate the  
22 percentage that the IDA's supposed to  
23 get and the terms of the payback.  
24 Obviously these aren't financing  
25 arrangements that are on the IDA's

## MEETING

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2 book, but you facilitate the  
3 activity, but we make sure that the  
4 IDA get its proportional share based  
5 on the agreement.

6 CHAIR SINGER: But you know  
7 we're in a different time, we're in a  
8 time of high interest rates --

9 MR. DANIELE: Right, inflation.

10 CHAIR SINGER: Where we're  
11 seeing a struggle to secure loans,  
12 loans are granted on all kinds of  
13 different bases, and so when you look  
14 at operating revenue, you have to  
15 look at the base. So the base would  
16 be to make some kind of survey of  
17 some of this and see what the  
18 underlying is and how reliable it is.

19 MR. DANIELE: We try to  
20 coordinate that with your attorneys  
21 as well to make sure that someone's  
22 looking at those agreements and  
23 obviously someone has made a  
24 determination that we're going to  
25 move forward with this and

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everything's going to work.

CHAIR SINGER: Yes, but this is with ongoing, this isn't with the initial. This is that you should select some entities and look at them and see what their financing looks like, because we have a great many that depend upon ongoing financing. So our agreements and our operating revenue is subject to what happens to the people that we have granted this to.

MR. DANIELE: Okay. Okay. So we'll look at your authorities.

CHAIR SINGER: So -- right. Because that's critical.

MR. DANIELE: Okay. Page seven is the audit timing. We're here today going through our communications with the Audit Committee.

Also towards the end of this month and into January we're going to do some internal control testing,

## MEETING

1  
2 again, looking at payroll claims,  
3 cash receipts. We'll work with Jaime  
4 and Siby to come up with a date that  
5 works for us and you folks to come in  
6 and complete the audit. I would  
7 imagine sometime towards the end of  
8 January and into February so that way  
9 we can review the reports early in  
10 March with you folks and have  
11 everything filed with the state by  
12 March 31st. Okay. So that's what  
13 we'll get back to Jaime and work out  
14 some dates.

15 And that's really it. Page 8,  
16 9, 10 and 11, you know, our ultimate  
17 determination is to take all those  
18 numbers and form an opinion as you  
19 mentioned on the financial statements  
20 taken as a whole. We perform our  
21 audit -- again, to obtain reasonable  
22 assurance that the financial  
23 statements are free from any mistakes  
24 or material misstatements. Again,  
25 that just means that we don't look at

## MEETING

1  
2 every single transaction, but we  
3 scope it enough to have a comfort  
4 level. If there's anything that  
5 comes up during the process, we  
6 communicate that to you before we get  
7 to the final process.

8 Again, any type of fraud or any  
9 inconsistencies, we'll bring that to  
10 your attention. We're up to date on  
11 our accounting policies and our  
12 applications, so those are recorded  
13 into your reporting notes. If there  
14 are entries that we propose, we're  
15 going to accumulate those and include  
16 those in our reporting as well. And  
17 again, and through the whole process  
18 if there's any communications that we  
19 feel would improve things, we're  
20 going to bring those to your  
21 attention so that hopefully  
22 management can act on those to get a  
23 better, you know, to improve internal  
24 controls.

25 CHAIR SINGER: So if there's a

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MEETING

problem, who do you communicate it to?

MR. DANIELE: We'll bring it probably to your attention, we'll speak to management first and then we'll bring it to your attention.

CHAIR SINGER: Thank you.

MR. DANIELE: Okay. And then just lastly on page 11 and 12, although we do prepare the financial statements, it's still management's ultimate responsibility to ensure that they are prepared, the information is prepared in accordance with the current accounting standards, that management is complying with laws, regulations and provisions of contracts. So that's something we look at to, so we make sure if there's a contract, you're abiding by those terms. And that's really it for the IDA.

CHAIR SINGER: Thank you. Do you have any questions?

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MEETING

MS. NACERINO: No questions.  
Thank you. Make a motion to accept.

MR. GJONAJ: Second.

CHAIR SINGER: All right. All  
in favor?

(A chorus of ayes.)

CHAIR SINGER: Objections? No  
objections. The motion is carried.

Is there any further business,  
anybody -- do you have anything?

MS. MCGILL: No other business.

CHAIR SINGER: All right. Then  
may I have a motion to adjourn the  
meeting?

MS. NACERINO: Make a motion to  
adjourn.

MR. GJONAJ: Seconded by I.

CHAIR SINGER: The meeting  
stands adjourned. Thank you.

(Time noted: 2:22 P.M.)

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MEETING

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 witness whose examination is  
hereinbefore set forth was duly sworn and  
that such examination is a true record of  
the testimony given by that witness.

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 26th day of December 2023.

NATHAN DAVIS

<b>1</b>	<b>90</b> 15:2	<b>additions</b> 2:18	<b>assets</b> 15:10,12
<b>1,000</b> 4:6	<b>a</b>	<b>adjourn</b> 23:14	<b>assist</b> 5:12
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New York Code  
Civil Practice Law and Rules  
Article 31 Disclosure, Section 3116

(a) Signing. The deposition shall be submitted to the witness for examination and shall be read to or by him or her, and any changes in form or substance which the witness desires to make shall be entered at the end of the deposition with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness before any officer authorized to administer an oath. If the witness fails to sign and return the deposition within sixty days, it may be used as fully as though signed. No changes to the transcript may be made by the witness more than sixty days after submission to the witness for examination.

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VERITEXT LEGAL SOLUTIONS

COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

Veritext Legal Solutions represents that the foregoing transcript is a true, correct and complete transcript of the colloquies, questions and answers as submitted by the court reporter. Veritext Legal Solutions further represents that the attached exhibits, if any, are true, correct and complete documents as submitted by the court reporter and/or attorneys in relation to this deposition and that the documents were processed in accordance with our litigation support and production standards.

Veritext Legal Solutions is committed to maintaining the confidentiality of client and witness information, in accordance with the regulations promulgated under the Health Insurance Portability and Accountability Act (HIPAA), as amended with respect to protected health information and the Gramm-Leach-Bliley Act, as amended, with respect to Personally Identifiable Information (PII). Physical transcripts and exhibits are managed under strict facility and personnel access controls. Electronic files of documents are stored

in encrypted form and are transmitted in an encrypted fashion to authenticated parties who are permitted to access the material. Our data is hosted in a Tier 4 SSAE 16 certified facility.

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**DRAFT**

City of Yonkers Industrial Development Agency

**Report to the Audit Committee**  
**December 31, 2023**

April 15, 2024

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

**KNOW  
GREATER  
VALUE**

April 15, 2024

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, 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 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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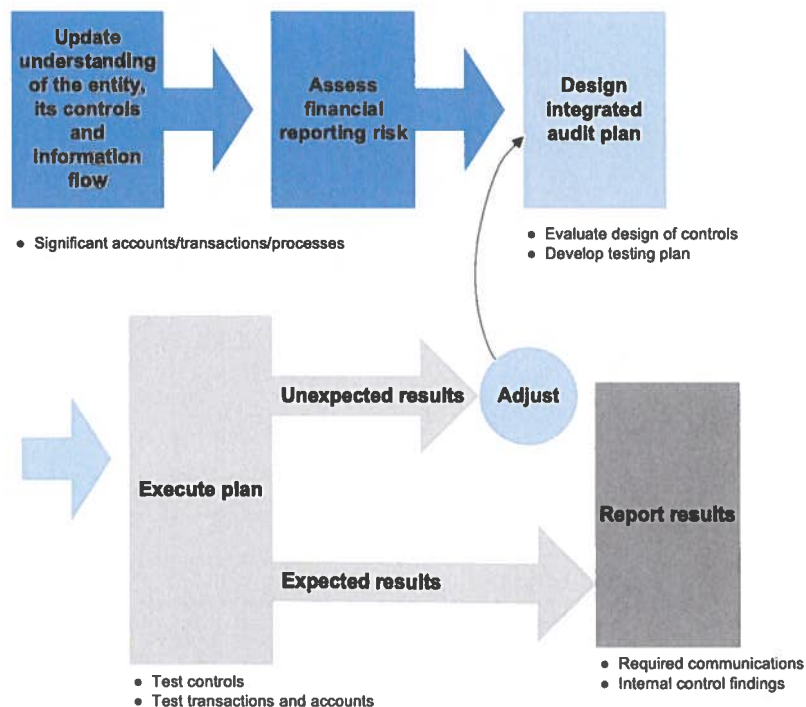
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## Status of the Audit and Other Services

### 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

	2023	2022
<b>ASSETS</b>		
Cash and equivalents	\$ 5,073,226	\$ 4,779,542
Accounts receivable, net of allowance for uncollectible amounts of \$96,250 at December 31, 2023 and 2022	69,734	146,450
Loan receivable, net of allowance for uncollectible amounts of \$2,784,061 at December 31, 2023 and \$2,746,758 at December 31, 2022 (Note 3)	-	-
Lease receivable, net of allowance of \$115,385 at December 31, 2023	-	173,077
Restricted cash	399,177	359,564
	5,542,137	5,458,633
<b>Non-current assets</b>		
Net pension asset - ERS	-	200,851
Capital assets being depreciated, net	1,927,458	2,478,563
Total Non-Current Assets	1,927,458	2,679,414
Total Assets	7,469,595	8,138,047
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	396,046	460,206
<b>LIABILITIES</b>		
Accounts payable	78,062	113,102
Accrued expenses	279,703	271,996
Escrow deposits	156,678	126,882
Due to other governments	159,590	-
Due to other entities	38,150	35,905
<b>Non-current liabilities</b>		
Loans payable, due within one year	131,984	208,416
Loans payable, due in more than one year	425,000	546,384
Net pension liability	457,876	-
Total Liabilities	1,727,043	1,302,685
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Lease related	-	169,748
Pension related	33,244	688,613
	33,244	858,361
<b>NET POSITION</b>		
Net investment in capital assets	1,370,474	1,723,763
<b>Restricted</b>		
Yonkers Pier activities	111,282	200,210
Unrestricted	4,623,598	4,513,234
Total Net Position	\$ 6,105,354	\$ 6,437,207

## Financial Statement Highlights (Continued)

### COMPARATIVE STATEMENT OF ACTIVITIES

	2023	2022
<b>OPERATING REVENUES</b>		
Agency and refinancing fees	\$ 1,403,395	\$ 1,035,460
Management administration fees	160,000	155,000
Application fees	3,000	4,800
License fee	56,583	169,749
Miscellaneous income	974	15,158
	<u>1,623,952</u>	<u>1,380,167</u>
<b>OPERATING EXPENSES</b>		
Salaries	447,586	438,300
Payroll taxes and employee benefits	210,383	99,348
Rent	157,507	147,050
Consulting and professional fees	357,506	266,245
Advertising, printing and reproduction	289,809	329,634
Travel	6,022	5,902
Insurance	5,850	5,223
Conferences and meetings	19,134	6,224
Communications	27,881	36,192
Office supplies and other	11,034	10,241
Depreciation	551,105	552,660
Emergency disaster relief grants	-	17,792
	<u>2,083,817</u>	<u>1,914,811</u>
Total Operating Expenses	<u>2,083,817</u>	<u>1,914,811</u>
Loss from Operations	<u>(459,865)</u>	<u>(534,644)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Workforce investment grant income	1,319,913	1,285,724
Workforce investment grant expenses	(1,319,913)	(1,285,724)
Interest income	151,728	64,875
Interest expense	(23,716)	(25,625)
	<u>128,012</u>	<u>39,250</u>
Total Non-Operating Revenues (Expenses), net	<u>128,012</u>	<u>39,250</u>
Change in Net Position	(331,853)	(495,394)
<b>NET POSITION</b>		
Beginning of Year	<u>6,437,207</u>	<u>6,932,601</u>
End of Year	<u>\$ 6,105,354</u>	<u>\$ 6,437,207</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 15, 2023. 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
<b>Our responsibilities under the Yellow Book</b>	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.
<b>Responsibilities of management and TCWG</b>	<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>
<b>Qualitative aspects of accounting practices - Accounting Policies</b>	<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. 96, "Subscription-Based Information Technology Arrangements". The Agency evaluated the impact of the statement and determined the amounts were not material to the financial statements.</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
<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>
<p><b>Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment</b></p>	<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>
<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> <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>

Required Item	Comments
<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, 2023, 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*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
April 15, 2024

## **Management Representation Letter**

April 15, 2024

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 ("Agency") which comprise the statements of net position as of December 31, 2023 and 2022, 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 15, 2023:
  - 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 proposed 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 post employment 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.
- The Agency has agreements that meet the definition of subscription-based information technology agreements ("SBITAs") contained in GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA's)*. However the total value of the agreements for the year ended December 31, 2023 was deemed immaterial, therefore, the related amounts and disclosures have been excluded from these financial statements.
- The Agency has agreements that me the definition of leases contained in GASB Statement No. 87, *"Leases"*. The Lease receivable and related deferred inflow was recorded in the prior year. Because the Lessee has filed for bankruptcy and future payments are uncertain an allowance was recorded for the unpaid portion of lease revenue through December 31, 2023.
- 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, 2023, 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 1,500 professionals and 18 offices in the U.S. Our team of top-notch professionals deliver 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

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

"Top Tax Firm"  
*Accounting Today*, 2023

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

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

Ranked 10 of the 50 "Best Accounting Employers to Work for in North America"  
*Vault*, 2024

Ranked #1 in Three Diversity Categories  
*Vault*, 2024

"Accounting/Due Diligence Firm of the Year"  
*The M&A Advisor*, 2023

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

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

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

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

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- 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

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- 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

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- Exit Readiness and Transaction Planning
- Sell-Side Advisory



## TAX COMPLIANCE AND PLANNING SERVICES

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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)
- Tax Compliance and Reporting
- 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, 2023 and 2022

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, 2023 and 2022 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, 2023 and 2022 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 judgment, 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 – Bonds and Notes, Schedule of Straight-Lease Transactions Executed in 2023 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 [REDACTED], 2024 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  
[REDACTED], 2024

# City of Yonkers Industrial Development Agency

## Management's Discussion and Analysis December 31, 2023

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, 2023. 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, 2023 and 2022 are attached. The chart below provides a condensed summary of revenues and expenses for the current and prior year.

	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 1,623,952	\$ 1,380,167
Operating Expenses	2,083,817	1,914,811

# City of Yonkers Industrial Development Agency

Management's Discussion and Analysis  
December 31, 2023

## Financial Operations Highlights (continued)

### **Operating Revenues**

Revenues for 2023 were derived from 7 projects and as follows:

#### Project Agency Fees:

1. Wheeler Block	63,881
2. St. Clair Development	315,177
3. Monastery Manor	94,425
4. 70 Pier	91,194
5. Mary the Queen	224,483
6. 155 Elliot LLC	27,765
7. WY Manor	<u>421,970</u>
	<b>\$1,238,895</b>

#### Other Agency Fees:

Sales Tax Exemption Only	124,500
Consent Fees	7,500
Transfer of Title Fees	10,000
Administrative Fees	12,500
Termination Fees	<u>10,000</u>
	<b>\$ 164,500</b>

#### Annual Management Fees:

Billable Projects	80,000
Larkin Management Fees	<u>80,000</u>
	<b>\$160,000</b>

#### Application Fees (5):

	<b>\$ 3,000</b>
1. Verus Development – 345 McLean	
2. 1111 Central Park Avenue	
3. 155 Elliot LLC	
4. Main Street Lofts	
5. Yonkers BV AMS	

#### License Fee:

Pier Lease	<b>\$ 56,583</b>
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#### Miscellaneous Income:

**\$ 974**

**Total: \$ 1,623,952**

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

# City of Yonkers Industrial Development Agency

Management's Discussion and Analysis  
December 31, 2023

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

At December 31, 2023, the Agency had \$7,469,595 in assets (cash, restricted cash, receivables, prepaid expenses, loan receivable and capital assets, etc.), \$396,046 in deferred outflows of resources, \$1,727,043 in liabilities (accrued expenses, loan payables, pension liability, etc.), \$33,244 in deferred inflows of resources and \$6,105,354 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 \$1,370,474. 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 \$111,282 for the Yonkers Pier activities. The balance of \$4,623,598 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 - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired, Straight-Lease Transactions and Payments in Lieu of Taxes is provided as supplementary information to the financial statements.

## **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,

	2023	2022
<b>ASSETS</b>		
Cash and equivalents	\$ 5,073,226	\$ 4,779,542
Accounts receivable, net of allowance for uncollectible amounts of \$96,250 at December 31, 2023 and 2022	69,734	146,450
Loan receivable, net of allowance for uncollectible amounts of \$2,784,061 at December 31, 2023 and \$2,746,758 at December 31, 2022 (Note 3)	-	-
Lease receivable, net of allowance of \$115,385 at December 31, 2023	-	173,077
Restricted cash	399,177	359,564
	<u>5,542,137</u>	<u>5,458,633</u>
Non-current assets		
Net pension asset - ERS	-	200,851
Capital assets being depreciated, net	1,927,458	2,478,563
Total Non-Current Assets	<u>1,927,458</u>	<u>2,679,414</u>
Total Assets	<u>7,469,595</u>	<u>8,138,047</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related	<u>396,046</u>	<u>460,206</u>
<b>LIABILITIES</b>		
Accounts payable	78,062	113,102
Accrued expenses	279,703	271,996
Escrow deposits	156,678	126,882
Due to other governments	159,590	-
Due to other entities	38,150	35,905
Non-current liabilities		
Loans payable, due within one year	131,984	208,416
Loans payable, due in more than one year	425,000	546,384
Net pension liability	457,876	-
Total Liabilities	<u>1,727,043</u>	<u>1,302,685</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Lease related	-	169,748
Pension related	33,244	688,613
	<u>33,244</u>	<u>858,361</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,370,474	1,723,763
Restricted		
Yonkers Pier activities	111,282	200,210
Unrestricted	<u>4,623,598</u>	<u>4,513,234</u>
Total Net Position	<u>\$ 6,105,354</u>	<u>\$ 6,437,207</u>

See notes to financial statements

**City of Yonkers Industrial Development Agency**

Comparative Statement of Activities  
Year Ended December 31,

	2023	2022
<b>OPERATING REVENUES</b>		
Agency and refinancing fees	\$ 1,403,395	\$ 1,035,460
Management administration fees	160,000	155,000
Application fees	3,000	4,800
License fee	56,583	169,749
Miscellaneous income	974	15,158
<b>Total Operating Revenues</b>	<b>1,623,952</b>	<b>1,380,167</b>
<b>OPERATING EXPENSES</b>		
Salaries	447,586	438,300
Payroll taxes and employee benefits	210,383	99,348
Rent	157,507	147,050
Consulting and professional fees	357,506	266,245
Advertising, printing and reproduction	289,809	329,634
Travel	6,022	5,902
Insurance	5,850	5,223
Conferences and meetings	19,134	6,224
Communications	27,881	36,192
Office supplies and other	11,034	10,241
Depreciation	551,105	552,660
Emergency disaster relief grants	-	17,792
<b>Total Operating Expenses</b>	<b>2,083,817</b>	<b>1,914,811</b>
<b>Loss from Operations</b>	<b>(459,865)</b>	<b>(534,644)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Workforce investment grant income	1,319,913	1,285,724
Workforce investment grant expenses	(1,319,913)	(1,285,724)
Interest income	151,728	64,875
Interest expense	(23,716)	(25,625)
<b>Total Non-Operating Revenues (Expenses), net</b>	<b>128,012</b>	<b>39,250</b>
<b>Change in Net Position</b>	<b>(331,853)</b>	<b>(495,394)</b>
<b>NET POSITION</b>		
Beginning of Year	6,437,207	6,932,601
End of Year	<u>\$ 6,105,354</u>	<u>\$ 6,437,207</u>

See notes to financial statements

**City of Yonkers Industrial Development Agency**

Comparative Statements of Cash Flows  
Year Ended December 31,

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from agency and other fees	\$ 1,731,573	\$ 1,381,178
Cash received from workforce grant	1,319,913	1,285,724
Cash payments for workforce employees	(1,319,913)	(1,285,724)
Cash payments for goods and services	(745,728)	(812,653)
Cash payments for salaries and benefits	(582,744)	(601,786)
Net Cash from Operating Activities	<u>403,101</u>	<u>(33,261)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Repayment of loans payable	(197,816)	(184,925)
Repayment of Emergency Disaster Relief Program loans	-	243,208
Interest paid	(23,716)	(25,625)
Net Cash from Capital and Related Financing Activities	<u>(221,532)</u>	<u>32,658</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	151,728	64,875
Net Change in Cash and Equivalents	333,297	64,272
<b>CASH AND EQUIVALENTS</b>		
Beginning of year	5,139,106	5,074,834
End of year	<u>\$ 5,472,403</u>	<u>\$ 5,139,106</u>
<b>RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash and equivalents	\$ 5,073,226	\$ 4,779,542
Restricted cash	399,177	359,564
Total Cash and Equivalents	<u>\$ 5,472,403</u>	<u>\$ 5,139,106</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (459,865)	\$ (534,644)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	551,105	552,660
Accounts receivable	76,716	4,283
Lease receivable	173,077	(173,077)
Prepaid expenses	-	9,229
Deferred outflows of resources	64,160	82,612
Accounts payable	(35,040)	36,609
Accrued expenses	7,707	15,666
Escrow deposits	29,796	57
Due to other governments	159,590	-
Due to other entities	2,245	(33,988)
Deferred inflows of resources	(825,117)	210,372
Net pension liability (asset)	658,727	(203,040)
Net Cash from Operating Activities	<u>\$ 403,101</u>	<u>\$ (33,261)</u>

See notes to financial statements

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2023 and 2022

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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, 2023 and 2022

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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, 2023 and 2022.

**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, 2023 and 2022

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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 \$156,678 and \$126,882 as of December 31, 2023 and 2022.

#### **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, 2023 and 2022, 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. As of December 31, 2022, the Agency reported lease related deferred inflows of \$169,748.

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

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

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

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 (see Note 5).

#### **Net Pension Liability (Asset)**

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

*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

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

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

assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is **March XX**, 2024.

**Note 3 - Loan Receivable**

Loan receivable at December 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Yonkers Larkin Garage, Inc.	\$ 2,629,000	\$ 2,629,000
Accrued Interest	155,061	117,758
Allowance for uncollectible amounts	<u>(2,784,061)</u>	<u>(2,746,758)</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, 2023 and 2022.

**Note 4 - Restricted Cash**

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

	<u>2023</u>	<u>2022</u>
Austin Avenue	\$ -	\$ 5
Yonkers Pier	118,460	208,247
Workforce Investment Board	124,039	24,430
Escrow Deposits - Payment in Lieu of Tax Agreements	<u>156,678</u>	<u>126,882</u>
	<u>\$ 399,177</u>	<u>\$ 359,564</u>

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

**Note 5 - 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 \$56,583 in lease revenue recorded as license fee and \$2,308 in interest revenue during the current fiscal year related to this lease. As of December 31, 2023, the Agency's receivable for lease payments was \$115,385. During 2023, the lessee filed for bankruptcy and stopped making lease payments. Since it was determined at that time that future collectability was uncertain, the deferred inflow of resources was reclassified as an allowance for uncollectible amounts and netted against the lease receivable as reflected on the Statement of Net Position.

**Note 6 - Capital Assets**

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

	Balance January 1, 2023	Additions	Balance December 31, 2023
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	8,535,866	550,701	9,086,567
Furniture and fixtures	26,695	404	27,099
Total accumulated depreciation	<u>8,562,561</u>	<u>551,105</u>	<u>9,113,666</u>
Capital assets, net	<u>\$ 2,478,563</u>	<u>\$ 551,105</u>	<u>\$ 1,927,458</u>
	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>

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

**Note 7 - Long-Term Liabilities**

The following table summarizes changes in the Agency's long-term liabilities for the years ended December 31, 2023 and 2022:

	Balance January 1, 2023	New Issues/ Additions	Maturities and/or Payments and Other	Balance December 31, 2023	Due Within One Year
Loans payable	\$ 754,800	\$ -	\$ 197,816	\$ 556,984	\$ 131,984
Net Pension Liability- ERS	-	457,876	-	457,876	-
<b>Long-Term Liabilities</b>	<b>\$ 754,800</b>	<b>\$ 457,876</b>	<b>\$ 197,816</b>	<b>\$ 1,014,860</b>	<b>\$ 131,984</b>

	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	-	-
<b>Long-Term Liabilities</b>	<b>\$ 941,914</b>	<b>\$ -</b>	<b>\$ 187,114</b>	<b>\$ 754,800</b>	<b>\$ 208,416</b>

**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, 2023 aggregate annual debt maturities, excluding interest, are as follows:

2024	\$ 100,000
2025	100,000
2026	150,000
2027	175,000
	<u>525,000</u>
	<u>\$ 525,000</u>

*New York Power Authority ("NYPA")*

The terms of the loan provide for repayment over nine years in monthly installments of principal and interest. Interest is charged at 7.50%. The principal and interest requirement to NYPA is included in the

## City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

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### **Note 7 - Long-Term Liabilities (Continued)**

monthly energy bill for the City. The Agency reimburses the City the monthly installments of \$10,783. At December 31, 2023 aggregate annual debt maturities, excluding interest, are as follows:

2024	<u>\$</u>	<u>31,984</u>
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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.

The 2023 installments inclusive of interest of \$84,106 for the Section 108 loan – Yonkers Pier and \$75,484 for the New York Power Authority for a total of \$159,590 due the City was not paid as of December 31, 2023 and reflected on the statement of net position as due to other governments. The installment of \$84,106 for the Section 108 loan – Yonkers Pier was subsequently paid to the City.

### **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 2023 and 2022 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
2023	4 A15	14.8 %
	5 A15	12.8
	6 A15	9.4
2022	4 A15	12.9 %
	5 A15	11.0
	6 A15	8.1

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

**Note 7 - Long-Term Liabilities (Continued)**

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

Measurement date	2023	2022
	March 31, 2023	March 31, 2022
Net pension liability (asset)	\$ 457,876	\$ (200,851)
Agency's proportion of the net pension liability (asset)	0.0021352 %	0.0024570 %
Change in proportion since the prior measurement date	(0.0003218) %	0.0002583 %

The net pension liability (asset) was measured as of March 31, 2023 and 2022 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, 2023 and 2022, the Agency recognized its proportionate share pension expense of \$103,587 and \$46,750. At December 31, 2023 and 2022, the Agency reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,767	\$ 12,859
Changes of assumptions	222,374	2,458
Net difference between projected and actual earnings on pension plan investments	-	2,690
Changes in proportion and differences between Agency contributions and proportionate share of contributions	44,374	15,237
Agency contributions subsequent to the measurement date	80,531	-
	<u>\$ 396,046</u>	<u>\$ 33,244</u>



**City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

**Note 7 - Long-Term Liabilities (Continued)**

	<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	<u>67,493</u>	<u>-</u>
	<u>\$ 460,206</u>	<u>\$ 688,613</u>

The amount of \$80,531 reported as deferred outflows of resources at December 31, 2023 related to ERS resulting from the Agency's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

<u>For Years Ending March 31,</u>	
2024	\$ 71,025
2025	(13,880)
2026	100,222
2027	124,904
2028	<u>-</u>
	<u>\$ 282,271</u>

The total pension liability for the March 31, 2023 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, 2023
Actuarial valuation date	April 1, 2022
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.9%
Cost of living adjustments	1.5%

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

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Continued)  
 December 31, 2023 and 2022

**Note 7 - 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-2021.

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.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.30 %
International Equity	15	6.85
Private Equity	10	7.50
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.38
Credit	4	5.43
Real Assets	3	5.84
Fixed Income	23	1.50
Cash	1	-
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.9%.

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, 2023 and 2022

**Note 7 - 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:

	2023		
	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Agency's proportionate share of the net pension liability (asset)	<u>\$ 1,106,490</u>	<u>\$ 457,876</u>	<u>\$ (84,116)</u>
	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>

The components of the current year collective net pension liability as of the March 31, 2023 measurement date were as follows:

Total pension liability	\$ 232,627,259,000
Fiduciary net position	<u>211,183,223,000</u>
Employers' net pension liability (asset)	<u>\$ 21,444,036,000</u>
Fiduciary net position as a percentage of total pension liability	<u>90.78%</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, 2023 represent the employer contribution for the period of April 1, 2023 through December 31, 2023 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, 2023 were \$80,531.

*Voluntary Defined Contribution Plan*

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

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

Notes to Financial Statements (Continued)  
December 31, 2023 and 2022

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### **Note 8 - Other Post Employment Benefit Obligations**

The Agency does not provide healthcare benefits for retired employees.

### **Note 9 - Industrial Revenue Bonds and Notes and Straight-Lease Transactions**

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

### **Note 10 - 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 11 - Stewardship, Compliance and Accountability**

#### **New Accounting Pronouncement**

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements (SBITA's)*", established a single model for SBITA accounting based on the concept that SBITA's are a financing of a "right-to-use" underlying asset. This statement requires a subscriber to recognize a subscription liability and an intangible right-to-use subscription asset. The requirements of GASB Statement No. 96 are effective for the Agency's fiscal year ended December 31, 2023. The Agency has completed its evaluation of the financial impact of GASB Statement No. 96 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

### **Note 12 - Commitments and Contingencies**

#### **Litigation**

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

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

Notes to Financial Statements (Continued)

December 31, 2023 and 2022

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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 \$0 and \$5 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 13 - Risk Management**

The Agency purchases conventional insurance coverage for directors and officers liability and employment practices liability in the combined form. The current policy reflects a combined limit of \$2 million per occurrence or \$2 million for the period of the policy.

### **Note 14 - Workforce Investment Board**

YIDA is established to advance the job opportunities, health, general prosperity and economic welfare and standard of living of the inhabitants of the City. To further its objectives of economic development, the YIDA Board approved and established a relationship with the Workforce Investment Board in May 2009. Its Chairman, as Mayor of the City, was designated as a grant recipient to create and implement workforce

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements (Concluded)  
December 31, 2023 and 2022

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**Note 14 - 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 Innovation and Opportunity Act, Adult Programs ("WIOA") grant are reported as non-operating revenues and expenses on the Statement of Activities.

YIDA receives the funding for WIOA programs from the City. The City reports the expenditures of federal awards in its annual schedule of expenditures of federal awards. The compliance audit is determined and performed as part of the City audit.

**Note 15 - Recently Issued GASB Pronouncements**

GASB Statement No. 101, "*Compensated Absences*", provides guidance on the accounting and financial reporting for compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updated the recognition and measurement guidance for compensated absences. That objective is achieved by aligning recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023.

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.

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**City of Yonkers Industrial Development Agency**

Required Supplementary Information

December 31, 2023

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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)**

	<u>2023 (3)</u>	<u>2022 (4)</u>	<u>2021 (4)</u>	<u>2020 (3)</u>
Agency's proportion of the net pension liability (asset)	<u>0.0021352%</u>	<u>0.0024570%</u>	<u>0.0021987%</u>	<u>0.0021672%</u>
Agency's proportionate share of the net pension liability (asset)	<u>\$ 457,876</u>	<u>\$ (200,851)</u>	<u>\$ 2,189</u>	<u>\$ 573,899</u>
Agency's covered payroll	<u>\$ 901,731</u>	<u>\$ 871,815</u>	<u>\$ 855,744</u>	<u>\$ 830,853</u>
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>50.78%</u>	<u>-23.04%</u>	<u>0.26%</u>	<u>69.07%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.78%</u>	<u>103.65%</u>	<u>99.95%</u>	<u>86.39%</u>
Discount Rate	<u>5.90%</u>	<u>5.90%</u>	<u>5.90%</u>	<u>6.80%</u>

**Schedule of Contributions**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	<u>\$ 89,348</u>	<u>\$ 118,698</u>	<u>\$ 104,612</u>	<u>\$ 95,101</u>
Contributions in relation to the contractually required contribution	<u>(89,348)</u>	<u>(118,698)</u>	<u>(104,612)</u>	<u>(95,101)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency's covered payroll	<u>\$ 1,062,728</u>	<u>\$ 985,793</u>	<u>\$ 967,257</u>	<u>\$ 819,284</u>
Contributions as a percentage of covered payroll	<u>8.41%</u>	<u>12.04%</u>	<u>10.82%</u>	<u>11.61%</u>

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

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

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

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

See independent auditors' report



2019	2018	2017	2016	2015
<u>0.0022820%</u>	<u>0.0025275%</u>	<u>0.0026327%</u>	<u>0.0026060%</u>	<u>0.0038741%</u>
<u>\$ 161,688</u>	<u>\$ 81,575</u>	<u>\$ 247,376</u>	<u>\$ 418,278</u>	<u>\$ 130,877</u>
<u>\$ 746,791</u>	<u>\$ 703,768</u>	<u>\$ 752,593</u>	<u>\$ 701,732</u>	<u>\$ 681,322</u>
<u>21.65%</u>	<u>11.59%</u>	<u>32.87%</u>	<u>59.61%</u>	<u>19.21%</u>
<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>
<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.00%</u>	<u>7.50%</u>
2019	2018	2017	2016	2015
<u>\$ 95,267</u>	<u>\$ 96,297</u>	<u>\$ 93,154</u>	<u>\$ 84,656</u>	<u>\$ 83,895</u>
<u>(95,267)</u>	<u>(96,297)</u>	<u>(93,154)</u>	<u>(84,656)</u>	<u>(83,895)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 807,967</u>	<u>\$ 708,814</u>	<u>\$ 687,779</u>	<u>\$ 758,089</u>	<u>\$ 751,107</u>
<u>11.79%</u>	<u>13.59%</u>	<u>13.54%</u>	<u>11.17%</u>	<u>11.17%</u>

See independent auditors' report

**City of Yonkers Industrial Development Agency**

Other Supplementary Information

December 31, 2023

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**City of Yonkers Industrial Development Agency**

Supplementary Information  
 Schedule of Indebtedness - Bonds and Notes  
 December 31, 2023

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2023	New Issues in 2023
Consumer Union	December 2005	6/1/2036	3.67%	\$ 47,300,000	\$ 30,725,000	\$ -
Monastery Manor Association, L.P.	September 2005	4/1/2037	5.00%	9,500,000	6,360,000	-
Sacred Heart A	September 2006	10/1/2037	3.80 - 5.00%	7,345,000	5,075,000	-
Center of Family Services	January 2008	7/1/2023	5.50 - 5.80%	1,190,000	165,000	-
Jefferson Terrace - 2006 A	December 2006	5/1/2048	5.95%	3,600,000	3,091,376	-
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	46,240,000	-
				<u>\$ 186,725,000</u>	<u>\$ 163,206,376</u>	<u>\$ -</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 2023	Balance at 12/31/2023	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	
\$ 1,725,000	\$ 29,000,000	8	420	-	\$ n/a	\$ n/a	\$ n/a	Exempt
6,360,000	-	8	7	7	5,584	11,985	22,431	Exempt
235,000	4,840,000	8	7	7	5,584	11,985	22,431	Exempt
165,000	-	8	9	-	n/a	n/a	n/a	Exempt
53,700	3,037,676	8	3	3	n/a	n/a	n/a	Exempt
-	44,600,000	8	6	6	n/a	n/a	n/a	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>\$ 8,538,700</u>	<u>\$ 154,667,676</u>							

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**City of Yonkers Industrial Development Agency**

Supplementary Information  
 Schedule of Straight-Lease Transactions Executed in 2023  
 December 31, 2023

<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  
 December 31, 2023

Project	Total	City	County
11-23 St. Casmir Avenue	\$ 37,500	\$ 32,265	\$ 5,235
76 Locust Hill	14,009	12,119	1,890
188 Warburton - Shelter Rent	60,660	52,192	8,468
1175 Warburton Ave LLC	219,439	188,476	30,963
222 Lake Ave - Lake Opportunity Holdings	35,000	30,279	4,722
1969 Central Park Ave	16,128	13,953	2,176
326 Riverdale Owners	275,363	238,217	37,146
34 Highland Partners LLC	55,000	47,581	7,420
34 Highland Partners LLC - Additional Payment	15,044	13,015	2,029
411 Bronx River Development LLC	61,089	52,848	8,241
555 Storage	270,315	233,850	36,465
56 Prospect Holdings LLC	26,082	22,564	3,518
57 Alexander	133,019	115,075	17,944
70 Ashburton Ave - Hudson Blue	140,111	121,210	18,901
78 Morningside	19,312	16,707	2,605
9-11 Riverdale	11,483	9,934	1,549
AAM Yonkers A Hotel LLC	424,405	367,153	57,252
Ashburton Avenue, LP	980	848	132
Avalon ATI Site	615,015	532,049	82,966
Avalon Sun Sites	800,024	692,101	107,923
Cahokia	33,649	29,110	4,539
CPG III - Shelter Rent	118,639	102,077	16,562
Cromwell Towers	235,300	203,558	31,742
Collins III	454,170	392,902	61,268
Croton Heights	1,000	865	135
Dayspring Commons L.P.	80,030	69,234	10,796
Extell Hudson Waterfront LLC	374,029	323,572	50,457
FC Yonkers (Ridge Hill)	603,810	519,518	84,292
FC Yonkers (Ridge Hill)	603,810	519,518	84,292
FC Yonkers (Ridge Hill)	603,810	519,518	84,292
FC Yonkers (Ridge Hill)	603,810	519,518	84,292
FC Yonkers (Ridge Hill)	603,810	519,518	84,292
FC Yonkers (Ridge Hill)	603,810	519,518	84,292
FC Yonkers (Ridge Hill)	603,810	520,243	83,567
FC Yonkers (Ridge Hill)	603,810	520,243	83,567
FC Yonkers (Ridge Hill)	603,810	520,243	83,567
FC Yonkers (Ridge Hill)	603,810	520,243	83,567
FC Yonkers (Ridge Hill)	603,810	520,243	83,567
FC Yonkers (Ridge Hill)	628,011	543,280	84,731
Grant Park II	45,124	39,037	6,087

(Continued)

**City of Yonkers Industrial Development Agency**

Supplementary Information  
 Schedule of Payments in Lieu of Taxes (Continued)  
 December 31, 2023

Project	Total	City	County
Greyston Bakery	\$ 25,000	\$ 21,510	\$ 3,490
InStock Cabinets	139,294	120,503	18,791
Jackson Terrace - min payment	75,000	64,880	10,120
Jackson Terrace Preservation LLC - shelter rent	35,204	30,290	4,914
Jefferson Terrace - min payment	75,000	64,880	10,120
Jefferson Terrace - shelter rent	70,288	60,806	9,482
KCT - Cubesmart	20,527	17,758	2,769
Lionsgate - Phase 1	120,314	104,084	16,230
Lionsgate - Phase 2	699,479	605,120	94,360
Macys	1,272,437	1,100,785	171,652
Maple Realty Management Inc	19,723	17,062	2,661
MillCreek	64,353	55,672	8,681
Monastery Manor	40,000	34,603	5,397
Monastery Manor - Shelter Rent	33,106	28,485	4,622
Mulford I, LP	2,000	1,730	270
Parkledge Apartments	439,629	378,257	61,372
Post Street	76,800	66,440	10,360
P.S 6 - Shelter Rent	121,524	104,559	16,965
Point and Ravine	59,434	51,416	8,018
Rising	97,067	83,973	13,094
RiverTides	1,383,522	1,196,885	186,637
Riverview II Preservation LP	350,034	302,814	47,220
RMS Warburton	283,497	245,253	38,244
RXR Soyo	939,407	812,681	126,726
Sacred Heart	40,000	34,603	5,397
Sacred Heart - Shelter Rent	23,221	19,979	3,242
St. Casimirs, LP	94,074	81,384	12,691
Stagg Construction	238,009	205,902	32,107
Tacos El Poblanos	16,180	13,997	2,183
Warburton Riverview Owners LLC	26,196	22,662	3,534
Westchester ALP 1	65,280	56,474	8,806
Westchester ALP 2	14,720	12,734	1,986
Whitney Young	155,797	134,780	21,017
Woodstock	30,000	25,953	4,047
Woodstock - Shelter Rent	5,804	4,994	810
406 Walnut - Shelter Rent	260,450	224,091	36,359
MGM Yonkers	5,381,493	4,655,530	725,963
Yonkers BV AMS LLC	244,858	211,827	33,031
Yonkers Contracting Company	83,458	72,200	11,259



**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, 2023 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 [REDACTED], 2024.

**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  
[REDACTED], 2024

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**City of Yonkers Industrial Development Agency**

**Schedule of Cash and Investments**

**Years Ended December 31, 2023 and 2022**

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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, 2023 and 2022 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, 2023 and 2022, 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 [REDACTED], 2024 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  
[REDACTED], 2024

**City of Yonkers Industrial Development Agency**

Schedule of Cash and Investments

December 31,

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	<u>2023</u>	<u>2022</u>
Cash and equivalents	\$ 5,073,226	\$ 4,779,542
Restricted cash	<u>399,177</u>	<u>359,564</u>
	<u>\$ 5,472,403</u>	<u>\$ 5,139,106</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, 2023 and 2022

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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, 2023 and 2022.**

**City of Yonkers Industrial Development Agency**

Notes to Schedule of Cash and Investments (Concluded)  
Years Ended December 31, 2023 and 2022

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**Note 3 - Subsequent Events (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, 2023 and 2022.

**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:

	2023	2022
Austin Avenue	\$ -	\$ 5
Yonkers Pier	118,460	208,247
Workforce Investment Board	124,039	24,430
Escrow Deposits - Payment in Lieu of Tax Agreements	156,678	126,882
	<u>\$ 399,177</u>	<u>\$ 359,564</u>

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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, 2023 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 [REDACTED], 2024.

**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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**PKF O'Connor Davies, LLP**  
Harrison, New York  
                    , 2024

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# City of Yonkers Industrial Development Agency

Report to Those Charged with Governance

December 31, 2023

                    , 2024

Prepared by

Robert A. Daniele, CPA

Partner

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

**KNOW  
GREATER  
VALUE**

\_\_\_\_\_, 2024

**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, 2023 and have issued our report thereon dated \_\_\_\_\_, 2024.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated November 15, 2023. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the City of Yonkers Industrial Development 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 Those Charged with Governance and management of the City of Yonkers Industrial Development 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**

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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.
- PARIS report is required to be filed by March 31, 2024.

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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 15, 2023. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> <li>• Forming and expressing an opinion on the financial statements.</li> <li>• Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, 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. 96, "Subscription-Based Information Technology Arrangements". The Agency evaluated the impact of the statement and determined the amounts were not material to the financial statements.</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 applied as a result of the aforementioned significant risks were designed to and have reduced 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  
[REDACTED], 2024

## On the Horizon

### **GASB Statement No. 101 – *Compensated Absences***

Under this Statement, the liabilities for compensated absences is required to be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The Statement establishes guidance for measuring the liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. Measurement for the liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made.

The Statement does allow recognition of certain types of compensated absences until the leave commences, including parental, military and jury duty leave.

Further, the Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability, as long as it is identified as a net change. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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 December 15, 2023 (i.e., the Agency's financial statements for the year ended December 31, 2024).**

## **Appendix 1**

### **Corrected Misstatements**

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**City of Yonkers Industrial Development Agency  
Corrected Misstatements  
December 31, 2023**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To Adjust GASB 68 pension reporting for the current year.			
5302	GASB 68 Deferred Income	655,369	
8125	Pension Costs	67,518	
3012	GASB 68 - Prepaid Expense		64,160
490	Net Pension Asset		200,851
5010	GASB 68 Pension Liability		457,876
<b>Total</b>		<b><u>722,887</u></b>	<b><u>722,887</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
To record depreciation expense for the 2023FY.			
8130	Depreciation Expense	405	
9230	Pier Depreciation Expense	550,701	
4050	Acc. Depreciation		405
4051	Pier Accumulated Depreciation		550,701
<b>Total</b>		<b><u>551,106</u></b>	<b><u>551,106</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
To adjust interest receivable and allowance for amount due for the Larkin Garage Project. No amounts paid in 2023.			
2082	Loan Rec. Larkin Garage Int	37,303	
2085	Allowance for Larkin Garage		37,303
<b>Total</b>		<b><u>37,303</u></b>	<b><u>37,303</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
To record accrual for WIB Retirement for 2024 bill.			
8195	Workforce Employee Benefits	52,232	
5006	Workforce-Accrued Expenses		52,232
<b>Total</b>		<b><u>52,232</u></b>	<b><u>52,232</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
To reverse prior year accrual for legal fees per Harris Beach attorney.			
5000	Accounts Payable	37,125	
8500	8500		37,125
<b>Total</b>		<b><u>37,125</u></b>	<b><u>37,125</u></b>



**City of Yonkers Industrial Development Agency  
Corrected Misstatements  
December 31, 2023**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 6</b>			
To record year-end accrual for Workforce Grant revenues.			
2003	Accounts Receivable-Workforce	69,734	
7098	Workforce Grant		69,734
<b>Total</b>		<b>69,734</b>	<b>69,734</b>
<b>Adjusting Journal Entries JE # 7</b>			
To adjust principal for Section 108 loan and 2nd interest payment not paid to City during 2023 to a liability to the City at FYE and to record accrued interest at FYE.			
5200	Sec 108 Note Payable - Pier	75,000	
9210	Pier Proj Sec 108 Note Int Exp	6,679	
9210	Pier Proj Sec 108 Note Int Exp	9,106	
5003	Due to City of Yonkers		9,106
5003	Due to City of Yonkers		75,000
5007	Pier Accrued Expenses		6,679
<b>Total</b>		<b>90,785</b>	<b>90,785</b>
<b>Adjusting Journal Entries JE # 8</b>			
To adjust principal and interest for the NYPA loans not paid during FY 2023 and due to the City at 12/31/2023.			
5210	NYPA Loan Payable - Pier	72,652	
9200	Pier Proj NYPA Expense	2,832	
5003	Due to City of Yonkers		2,832
5003	Due to City of Yonkers		72,652
<b>Total</b>		<b>75,484</b>	<b>75,484</b>
<b>Adjusting Journal Entries JE # 9</b>			
To adjust lease receivable & deferred inflow for the rent received in the current year.			
5303	Deferred inflow GASB 87	56,583	
7200	Pier License Fee	60,000	
2057	Lease Receivable GASB 87		57,692
7200	Pier License Fee		56,583
99999999	Lease Interest Revenue		2,308
<b>Total</b>		<b>116,583</b>	<b>116,583</b>
<b>Adjusting Journal Entries JE # 10</b>			
To record Bad Debt Expense related to lease deferred inflow and set up allowance against Lease receivable.			
5303	Deferred inflow GASB 87	115,385	
9010	Bad Debt Expense	2,220	
5303	Deferred inflow GASB 87		2,220
9999	9999		115,385
<b>Total</b>		<b>117,605</b>	<b>117,605</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 1,500 professionals and 18 offices in the U.S. Our team of top-notch professionals deliver 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

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

"Top Tax Firm"  
*Accounting Today*, 2023

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

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

Ranked 10 of the 50 "Best Accounting Employers to Work for in North America"  
*Vault*, 2024

Ranked #1 in Three Diversity Categories  
*Vault*, 2024

"Accounting/Due Diligence Firm of the Year"  
*The M&A Advisor*, 2023

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

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

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

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



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