



MEMORANDUM

To: Yonkers Industrial Development Agency Audit Committee Members

From: Alexa Ricciardi, Administrative Assistant

**Re: IDA Audit Committee Meeting
Thursday, March 27, 2025
at 1:30 p.m. (IN PERSON at the Yonkers IDA Office)**

Date: March 24, 2025

.....

Enclosed please find the agenda and related draft materials. In preparation, we encourage all board members to carefully review the attached packet.

The Yonkers Industrial Development Agency Audit Committee Meeting is scheduled for Thursday, March 27, 2025, at 1:30 p.m. and will be IN PERSON at the Yonkers IDA Office – 470 Nepperhan Avenue, Suite 200, Yonkers NY.

Should you have any questions, please contact me at (914) 509-8651.

Thank you.



Audit Committee Meeting

Preliminary Agenda

**Thursday, March 27, 2025
at 1:30 p.m.**

- 1. Roll Call**
- 2. Approval of Minutes for December 11, 2024**
- 3. Review and Discussion of Report to Audit Committee:**
 - 2024 Internal Control Letter**
 - Draft Audited Financial Statements for 2024**
- 4. Other Business**
- 5. Adjournment**

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Minutes of
The City of Yonkers IDA
Audit Committee Meeting
December 11, 2024 - 12:06 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 (Excused)
VICTOR GJONAJ - Member

O T H E R:

ROBERT DANIELE - PKF O'Connor Davies
JAIME MCGILL - IDA Executive Director
SIBY OOMMEN - IDA/YEDC Chief Fiscal Officer

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MEETING

CHAIR SINGER: I'm calling the
Yonkers Economic Development
Corporation's Audit Committee Meeting
to order. The first order of
business is the roll call.

MR. OOMMEN: Good afternoon.
Cecile Singer?

CHAIR SINGER: Here.

MR. OOMMEN: Melissa Nacerino
is excused. Victor Gjonaj?

MR. GJONAJ: Here.

MR. OOMMEN: Madam Chair, we
have a quorum.

CHAIR SINGER: All right. And
we have a quorum?

MR. OOMMEN: Yes, we do.

CHAIR SINGER: And so then the
next order of business is the review
and discussion of the engagement
letter.

MR. DANIELE: So I think in
your packet is the engagement letter.
It's a 14-page document. Pretty much
similar to last year. I believe the

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MEETING

fee went from 35,000 to 36,500. That includes the audit report with all the supplementary schedules as well as a report that we issued called the cash and investment report in accordance with that Public Authorities Law.

CHAIR SINGER: Maybe you need the microphone because it's very faint.

MR. DANIELE: Thank you. Is that better? Yeah, so again, there's an engagement letter in front of you. It's a 14-page document. Very similar to last year. The engagement letter includes the audit with all the supplementary information schedules as well as a separate report called a cash investment report that's filed in accordance with the public authorities law. As I mentioned, I believe the fee was 35,000 last year. It is 36,500 so it's up \$1,500. And there's a little

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MEETING

bit of additional work we have to do
and we'll discuss it once we talk
about the audit done.

CHAIR SINGER: All right. So
will you explain the fees and billing
portion?

MR. DANIELE: Yes. So we
generally do some preliminary work
and then we get started in February
and then we spend the week -- we
probably do a hybrid if we need to
come here and we do it remote,
whatever works for the team. So when
we're done with that field work we
bill 75 percent of the fee, and then
as we wrap this up, which really
needs to be filed by March 31st, we
bill the remaining 25 percent fee.
And that's usually paid sometime in
April.

CHAIR SINGER: So is it a
continuation of our discussion in the
last audit about the proportion of
people that we have from your firm

MEETING

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2 and how many senior partner hours and
3 then how many associate hours. So
4 it's -- in a time when everyone is
5 examining all of these things very
6 carefully, it's very important to
7 have the attention that we need, and
8 that attention is guaranteed by the
9 level of expertise, and so certainly
10 we are interested in how many senior
11 partner hours we have. And then --
12 and then in how many associate hours
13 because the associates are people in
14 training basically. And so that --
15 while they certainly have a role to
16 play, we have to be assured that we
17 get the quality that's needed. And
18 we are in a very complex world where
19 business, you are looking at many
20 things in a business, and so I'd like
21 to be assured that we get senior
22 partner hours that are appropriate
23 and that we do not disproportionately
24 have associate hours.

25 MR. DANIELE: Right. And it's

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MEETING

run by a manager. She's been on the account a couple of years now. So I'll give you a breakdown of the level and the hourly rates that come up to the fee. That's not a problem.

CHAIR SINGER: Well, it's something that I raised in the last meeting.

MR. DANIELE: Yes, I do recall.

CHAIR SINGER: Right. Because it's -- an audit is only as good as the people doing the audit.

MR. DANIELE: Right.

CHAIR SINGER: And so we have to be aware of that.

MR. DANIELE: Sure.

CHAIR SINGER: All right? And so a contract, you make a contract and you make it on the basis of the expertise of the firm.

MR. DANIELE: Sure.

CHAIR SINGER: And we have always been very satisfied with what you have done, but things change in

MEETING

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2 the marketplace and they change in
3 the way audits are viewed. And so we
4 want to be sure that we have what we
5 need and so I asked you before, so I
6 would like to understand how many
7 hours we have of senior partner and
8 how many hours we have that are just
9 associates.

10 MR. DANIELE: Sure. Will do.
11 Thank you.

12 CHAIR SINGER: All right? Are
13 there any questions, any questions?

14 MS. MCGILL: No questions.

15 CHAIR SINGER: All right. So
16 what would you like to tell us about
17 the external auditing services?

18 MR. DANIELE: The audit plan?
19 I put together a little PowerPoint.
20 I have hardcopies if you don't have
21 them. So if we turn to page two, the
22 IDA one, Yonkers IDA, we'll briefly
23 go through the overview of the audit
24 process and talk about the audit
25 reports that we're going to issue.

MEETING

Our scope and our focus, we'll talk about some of the significant audit areas.

We have a slide in here on our audit timing when we expect the field work to happen and issuance of the reports, and then we close with what are our responsibilities, what are management's responsibilities. So page three is a flow chart and page four is kind of a narrative of that flow chart. So obviously we've been doing this a few years, but we still come in in February and get an update of our understanding of the agency, its policies, any new policy, any new procedures.

We look at internal controls. So we'll test your payroll cycle, we'll test your receipts that come in. Obviously we don't look at everything, but we sample. We also look at disbursements, and if you were required to bid on something, we

MEETING

look at it.

We're going to look to the high audit areas, the significant audit areas, so we're going to assess what we call financial reporting, identifying those significant areas. Based on that we're going to design an audit plan, we're going to come in and test that plan, we're going to perform selective tests of internal controls, and then we're going to execute the audit plan. We generally start with your balance sheet, we look at the all cash items all the way down to your fund balance, your net position.

We do a lot of confirmation, we confirm all of your cash balances with a third party bank. We get that independently sent to us. If this -- accounts receivable are significant, we confirm them generally with the city or with outside agencies, the City of Yonkers. And then we're

MEETING

going to execute the plan, we're going to document any findings. Obviously you will know about any findings before we get to a conclusion point. We're going to prepare the financial statement and then we're going to issue those reports together with any finds, if any.

So if we turn to page five, the auditor as -- the audit report and the opinions that we issue are called the independent auditor's report on the basic financial statements. Several years back the Yonkers Pier was kind of incorporated into the IDA. So that's something we also looked at. I think it started in 2015 and continued through 2024. So we're going to look at those activities as well. I believe that the restaurant is no longer in operation so that's something we'll need to look after, outstanding

MEETING

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2 receivables. I think we had an
3 allowance against those last year
4 because we didn't think that would
5 make good on those. So it's
6 something we're going to look at when
7 we come do the audit. In addition to
8 that, the IDA took on some liability
9 for a Section 108 loan that was
10 reimbursing the City of Yonkers based
11 on that cash flow coming in from the
12 rental. So if that stops, is the IDA
13 still responsible to pay the city.
14 The city has to make good on that
15 loan that they were getting
16 reimbursed, so that's something we'll
17 discuss when we come back and do the
18 audit. So it's another area we'll
19 focus on.

20 There's a lot of supplemental
21 schedules in the back. You know, you
22 close on contracts, we need to
23 disclose that information. If you
24 have payments in lieu of taxes, we
25 disclose all of that information.

MEETING

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2 You're part of the New York State
3 pension retirement system, so that's
4 an area that we get the state's audit
5 report. You're a portion and share
6 of an the entire state. That's
7 something that's recorded in your
8 book of markers, as well as that's a
9 report we get from a third party.

10 We also issue this report on
11 compliance, so we make sure things
12 are in order. Obviously we'll know
13 about it if things aren't. And also
14 because you're considered a public
15 authority, we issue an independent
16 audit report on certain investment
17 guidelines. That's also a separate
18 report.

19 If you turn to page six, these
20 are some of the audit focus areas.
21 Again, as I mentioned, we look at
22 your cash, and there is some
23 restricted cash, so we confirm those
24 balances. We're going to look at all
25 of your accounts receivable and make

MEETING

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2 sure they are collectible. We look
3 year -- December 31st year-end, but
4 we look at activity that happens in
5 January, February and March to see if
6 you collected on some of these
7 receivables and we can consider them
8 valid and good receivables.

9 You do also have a general loan
10 from the Economic Development
11 Corporation based on I believe it's a
12 Yonkers Larkin garage, if they're
13 profitable they can pay back some of
14 that loan receivable. So that's an
15 area that we'll look at.

16 You do have capital assets,
17 significant capital assets, so we're
18 going to look at those as well. You
19 have some liabilities to other
20 entities. That varies from year to
21 year so we'll take a look at those.
22 And again, as I mentioned, the
23 Yonkers Pier loan will -- we'll take
24 a look at that. The New York Power
25 Authority loan is now paid off

1 MEETING

2 completely --

3 CHAIR SINGER: You're going to
4 have to do more than take a look at
5 that. I mean, there's a change
6 and --

7 MR. DANIELE: Yes, we will have
8 to determine if the IDA's still
9 obligated to reimburse the city.

10 CHAIR SINGER: Right, that's a
11 very important factor.

12 MR. DANIELE: Correct.

13 MS. MCGILL: We did just get a
14 notice from the city for forgiveness
15 on the 108 loan.

16 MR. DANIELE: Okay.

17 CHAIR SINGER: What was that?

18 [Cross-talk]

19 MR. DANIELE: I got a letter,
20 but it didn't really say forgiveness.
21 It just said the city will continue
22 to pay, but they're obligated to.

23 MS. MCGILL: Right.

24 MR. DANIELE: So we'll talk
25 about that, okay?

1 MEETING

2 MS. MCGILL: Okay.

3 MR. DANIELE: We talked about
4 the pensions. And then we'll look at
5 the agency and financing, and IDA
6 does get administration fees for --

7 CHAIR SINGER: The pensions are
8 another area. You know, you're
9 seeing in businesses all over a lot
10 of discussion of pensions and
11 proportions, et cetera, and so we
12 need to have a very clear
13 understanding of what our liability
14 is and how we discharge that.

15 MR. DANIELE: Sure. It is a
16 separate report that we get from the
17 state. I can tell you that the New
18 York State plan is one of the best
19 funded plans in the country.

20 CHAIR SINGER: Oh yes.

21 MR. DANIELE: It's probably
22 like 94 percent funded. So that's
23 six percent for every community in
24 New York State, your little piece of
25 that, so we do have to pick up, you

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know, some payable for that piece,
but it's all confirmed and
third-party actuarial type numbers.
So we don't make up those numbers.
It's kind of audited and given to
this, but they're included here.

CHAIR SINGER: But it's what
our share is --

MR. DANIELE: Correct.

CHAIR SINGER: Our obligation.

MR. DANIELE: Yes, it's all
footnoted and detailed --

CHAIR SINGER: And that's a
very important factor.

MR. DANIELE: Sure.

CHAIR SINGER: So we'll be
looking at --

MR. DANIELE: Yes --

CHAIR SINGER: -- for your
expertise as well.

MR. DANIELE: Okay.

CHAIR SINGER: And the
comparison to what other entities are
doing. We're seeing -- so in a lot

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MEETING

of the things that I sit on, the discussions of pension have become much greater, much more time allocated to it.

MR. DANIELE: Right.

CHAIR SINGER: So we want to be sure that here we are paying attention to it.

MR. DANIELE: Sure.

CHAIR SINGER: And we know that the state's pension fund is good -- it's what our share is and in that way what our employees will be entitled to, et cetera.

MR. DANIELE: Sure. Okay. We'll highlight those.

CHAIR SINGER: So we'll look at that.

MR. DANIELE: Sure.

CHAIR SINGER: All right.

MR. DANIELE: Then there's some other items that are not part of your operation but are included. You administer the workforce grant,

MEETING

workforce investment board. Although the city handles it, you kind of record the activity. So we'll look at those. And then if there's any new leases or what they call subscription-based information, technology arrangements, we'll have to pick those up as well and we'll discuss those with the team as we come in and do the audit.

Page seven is just the timeline. Again, here now in December having our communications meeting or planning meeting. Generally we sit or we speak with Siby, we will review and evaluate and sample some of the internal controls. That happens now and the end of January. The actual audit or what we call the substantive testing generally takes place in February. Not only do we drill down on various accounts. We kind of look at -- we do analytical reviews compared to

MEETING

last year to see if anything is odd.
We sometimes look in your budget to
see if anything is way off.

Reports are generally we give
you a draft by the end of February
and obviously we issue the reports,
management letter and have our
meeting sometime in March. So this
all can be filed with the public
authorities by March 31st.

Quickly, on pages 8, 9 and 10,
we are your external auditors so we
are charged with taking all those
numbers and rendering an opinion on
all those numbers in accordance with
the accounting standards. The second
bullet is we try to obtain reasonable
assurance, and what that means is we
don't look at every single
transaction, but we scope it out, and
if we're comfortable, then we can
certainly render an opinion that the
financial statements are free of any
errors or misstatements.

MEETING

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2 The byproduct of the audit is
3 our management letter, so if there is
4 significant matters that come to
5 light as we do the audit, obviously
6 we'll communicate those to you. All
7 of the journal entries that we
8 propose we're required to disclose
9 them as well. They'll be in the
10 recording packet. And again, if
11 there are comments that rise to a
12 level of what we call a significant
13 deficiency or material weakness,
14 we'll notify you as well. We
15 generally have some comments, but
16 nothing arose to that level. We call
17 those control deficiencies. Again,
18 if there's any fraud you'll know
19 about it obviously before we can move
20 forward with the audit, or any type
21 of illegal acts or any allegation of
22 fraud or anything like that.

23 Page 11, although we do prepare
24 the financial statements, they're
25 ultimately management's

MEETING

responsibility, so we make sure they are following generally accepted accounting principles which are the accounting standards. And we make sure that they are complying with laws, regulations, provisions of contracts and grant agreements. So those are some of the areas that we look at as well. And that's really it.

CHAIR SINGER: Okay. Do you have any questions?

MR. GJONAJ: No.

CHAIR SINGER: All right. We've been through this quite a number of years.

MR. DANIELE: Yes.

CHAIR SINGER: And we're certainly -- we depend on your expertise, but as I said, I want to be assured that we have had good eyes on everything that are relatively sophisticated financially.

MR. DANIELE: Absolutely.

1 MEETING

2 CHAIR SINGER: So, you know,
3 it's important.

4 MR. DANIELE: Yes.

5 CHAIR SINGER: All right. And
6 so we will also look forward to your
7 advice on the pension plan and how
8 well it's funded from our point of
9 view.

10 MR. DANIELE: Sure.

11 CHAIR SINGER: From our entity.

12 MR. DANIELE: And these reports
13 get filed with the state. So
14 obviously nothing has come back over
15 the past ten years or so, so, you
16 know, everything is in compliance --

17 CHAIR SINGER: And on the Pier
18 of course there's going to be some
19 work.

20 MR. DANIELE: Yes, we're
21 working with the city currently --

22 CHAIR SINGER: To evaluate it
23 --

24 MR. DANIELE: -- with that. So
25 we want to make sure we're on the

1 MEETING

2 same page, yes.

3 CHAIR SINGER: And it's a
4 question too for the IDA for the use
5 of the Pier and subsequent -- what
6 will be done subsequent. All right?

7 MR. DANIELE: Yes.

8 CHAIR SINGER: So we look
9 forward to that. All right. Are
10 there any comments, concerns? So
11 then may I have a motion to accept
12 the engagement letter as written? Is
13 there a motion?

14 MR. GJONAJ: I make a motion.

15 CHAIR SINGER: All right. And
16 a second? I'll be the second.

17 MR. GJONAJ: Yeah, we need a
18 second.

19 CHAIR SINGER: It's not exactly
20 -- anyhow.

21 MR. GJONAJ: I make a motion.

22 CHAIR SINGER: Yes, yes, yes.
23 All right --

24 MS. MCGILL: And we should make
25 a motion to accept the audit plan.

1 MEETING

2 CHAIR SINGER: Pardon?

3 MS. MCGILL: We should make a
4 motion to accept the audit plan as
5 reviewed.

6 CHAIR SINGER: Yes. Yes. So
7 -- and the audit plan, we approve the
8 engagement letter and now the audit
9 plan has to be accepted if we so
10 desire. And may I have a motion to
11 accept the audit plan?

12 MR. GJONAJ: I'll make a
13 motion.

14 CHAIR SINGER: All right. And
15 I will second the motion. All right?
16 So is there anything else you would
17 like to discuss with us?

18 MR. DANIELE: No.

19 CHAIR SINGER: Nothing. All
20 right. So then at this juncture we
21 will ask our staff to leave.

22 MS. MCGILL: We'll just pause
23 it.

24 (Whereupon, the Audit Committee
25 held an executive session.)

MEETING

CHAIR SINGER: We are very pleased with what we heard from our auditors about the relationship that they have with our staff and so I want to commend you and thank you because audits are only as good as the people who are doing them and who have the information, and the way you work with our auditors is extremely, important and that Sibby and Michael are also very competent and work closely with them. So we congratulate you on that and we are very delighted with that result and then we look forward to an audit that will be a clean audit and that will provide us with the information that we need.

And as I said, this is a time when the pension issue is visible everywhere that you go so we want to be sure that have looked at it and that we will be able to have a report that emphasizes what our obligations

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MEETING

are and how they are fulfilled. And also -- and on the Pier we need to have a really comprehensive report on that.

MR. DANIELE: Sure.

CHAIR SINGER: Because it means significant dollars in income to the IDA and we do depend on that, and so we will be looking for that and for what the future use can be so -- and what our obligation is as we said to the city.

MR. DANIELE: Sure.

CHAIR SINGER: All right. Is there any further business, does anyone have anything?

MS. MCGILL: No further business.

CHAIR SINGER: If there's no further business, will I have a motion to adjourn?

MR. GJONAJ: Second.

CHAIR SINGER: All right. We are adjourned, and thank you for your

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cooperation.

(Whereupon, at 12:37 P.M., the
above matter concluded.)

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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 23rd day of December 2023.


NATHAN DAVIS

1	9	administration	assurance
1,500 3:25	9 19:12	15:6	19:19
10 19:12	94 15:22	advice 22:7	assured 5:16,21
10701-3892 1:5	a	afternoon 2:7	21:22
108 11:9 14:15	able 25:24	agencies 9:24	attention 5:7,8
11 1:4 20:23	above 27:4	agency 8:16	17:9
12:06 1:4	absolutely	15:5	audit 1:3 2:4
12:37 27:3	21:25	agreements	3:3,17 4:4,24
14 2:24 3:15	accept 23:11,25	21:8	6:12,13 7:18
2	24:4,11	allegation	7:23,24 8:3,6
200 1:5	accepted 21:3	20:21	9:4,4,9,13
2015 10:20	24:9	allocated 17:5	10:12 11:7,18
2023 28:20	accordance 3:7	allowance 11:3	12:4,16,20
2024 1:4 10:20	3:21 19:16	analytical	18:11,20 20:2
23rd 28:20	account 6:3	18:25	20:5,20 23:25
24408 28:23	accounting	appropriate	24:4,7,8,11,24
25 4:19	19:17 21:4,5	5:22	25:16,17
3	accounts 9:22	approve 24:7	audited 16:6
31st 4:18 13:3	12:25 18:24	april 4:21	auditing 7:17
19:11	action 28:16	area 11:18 12:4	auditor 10:12
35,000 3:2,24	activities 10:22	13:15 15:8	auditor's 10:14
36,500 3:2,24	activity 13:4	areas 8:4 9:4,5	auditors 19:13
4	18:4	9:7 12:20 21:9	25:4,10
470 1:5	acts 20:21	arose 20:16	audits 7:3 25:7
7	actual 18:20	arrangements	authorities 3:8
75 4:16	actuarial 16:4	18:8	3:22 19:11
8	addition 11:7	asked 7:5	authority 12:15
8 19:12	additional 4:2	assess 9:5	13:25
	adjourn 26:22	assets 13:16,17	avenue 1:5
	adjourned	associate 5:3,12	aware 6:16
	26:25	5:24	b
	administer	associates 5:13	b 1:8
	17:25	7:9	

back 10:16 11:17,21 13:13 22:14 bake 9:20 balance 9:14,16 balances 9:19 12:24 based 9:8 11:10 13:11 18:7 basic 10:15 basically 5:14 basis 6:20 believe 2:25 3:23 10:22 13:11 best 15:18 better 3:13 bid 8:25 bill 4:16,19 billing 4:6 bit 4:2 blood 28:16 board 18:2 book 12:8 breakdown 6:4 briefly 7:22 budget 19:3 bullet 19:18 business 2:6,19 5:19,20 26:16 26:19,21 businesses 15:9 byproduct 20:2	c c 28:2,2 call 2:6 9:6 18:6,21 20:12 20:16 called 3:5,20 10:13 calling 2:2 capital 13:16 13:17 carefully 5:6 cash 3:6,20 9:15,19 11:11 12:22,23 cecile 1:9 2:8 certain 12:16 certainly 5:9,15 19:23 21:20 certify 28:9,14 cetera 15:11 17:15 chair 2:2,9,13 2:15,18 3:9 4:5 4:22 6:7,11,15 6:18,23 7:12 7:15 14:3,10 14:17 15:7,20 16:8,11,14,17 16:20,23 17:7 17:11,18,21 21:12,15,19 22:2,5,11,17,22 23:3,8,15,19,22	24:2,6,14,19 25:2 26:7,15 26:20,24 chairperson 1:9 change 6:25 7:2 14:5 charged 19:14 chart 8:11,13 chief 1:16 city 1:3 9:24,25 11:10,13,14 14:9,14,21 18:3 22:21 26:13 clean 25:17 clear 15:12 close 8:8 11:22 closely 25:13 collected 13:6 collectible 13:2 come 4:13 6:5 8:15,21 9:9 11:7,17 18:11 20:4 22:14 comfortable 19:22 coming 11:11 commend 25:6 comments 20:11,15 23:10 committee 1:3 2:4 24:24	communicate 20:6 communicati... 18:14 community 15:23 compared 18:25 comparison 16:24 competent 25:12 completely 14:2 complex 5:18 compliance 12:11 22:16 complying 21:6 comprehensive 26:4 concerns 23:10 concluded 27:4 conclusion 10:6 confirm 9:19 9:23 12:23 confirmation 9:18 confirmed 16:3 congratulate 25:14 consider 13:7 considered 12:14
---	---	--	--

continuation 4:23	14:16,19,24 15:3,15,21	disclose 11:23 11:25 20:8	entire 12:6
continue 14:21	16:10,12,16,19	discuss 4:3	entities 13:20
continued 10:20	16:22 17:6,10 17:16,20,22	11:17 18:10 24:17	16:24
contract 6:19 6:19	21:18,25 22:4 22:10,12,20,24	discussion 2:20 4:23 15:10	entitled 17:15
contracts 11:22 21:8	23:7 24:18 26:6,14	discussions 17:3	entity 22:11
control 20:17	davies 1:14	disproportion... 5:23	entries 20:7
controls 8:19 9:12 18:18	davis 28:7,23	document 2:24 3:15 10:3	errors 19:25
cooperation 27:2	day 28:20	doing 6:13 8:14 16:25 25:8	et 15:11 17:15
corporation 13:11	december 1:4 13:3 18:14 28:20	dollars 26:8	evaluate 18:17
corporation's 2:4	deficiencies 20:17	draft 19:6	22:22
correct 14:12 16:10	deficiency 20:13	drill 18:23	exactly 23:19
country 15:19	delighted 25:15	duly 28:11	examination 28:10,12
county 28:5	depend 21:20 26:9	e	examining 5:5
couple 6:3	design 9:8	e 1:8,8,13 28:2 28:2	excused 1:10 2:11
course 22:18	desire 24:10	economic 2:3 13:10	execute 9:13 10:2
cross 14:18	detailed 16:13	emphasizes 25:25	executive 1:15 24:25
currently 22:21	determine 14:8	employees 17:14	expect 8:6
cycle 8:20	development 2:3 13:10	engagement 2:20,23 3:14 3:16 23:12 24:8	expertise 5:9 6:21 16:21 21:21
d	director 1:15		explain 4:6
daniele 1:14 2:22 3:12 4:8 5:25 6:10,14 6:17,22 7:10 7:18 14:7,12	disbursements 8:24		external 7:17 19:13
	discharge 15:14		extremely 25:10
			eyes 21:22
			f
			f 1:8 28:2

factor 14:11 16:15 faint 3:11 february 4:10 8:15 13:5 18:22 19:6 fee 3:2,23 4:16 4:19 6:6 fees 4:6 15:6 field 4:15 8:6 filed 3:21 4:18 19:10 22:13 financial 9:6 10:7,15 19:24 20:24 financially 21:24 financing 15:5 findings 10:3,5 finds 10:9 firm 4:25 6:21 first 2:5 fiscal 1:16 five 10:11 flow 8:11,13 11:11 focus 8:2 11:19 12:20 following 21:3 footnoted 16:13 forgiveness 14:14,20	forth 28:11 forward 20:20 22:6 23:9 25:16 four 8:12 fraud 20:18,22 free 19:24 front 3:14 fulfilled 26:2 fund 9:16 17:12 funded 15:19 15:22 22:8 further 26:16 26:18,21 28:14 future 26:11	going 7:25 9:3 9:5,8,9,10,12 10:2,3,6,8,21 11:6 12:24 13:18 14:3 22:18 good 2:7 6:12 11:5,14 13:8 17:12 21:22 25:7 grant 17:25 21:8 greater 17:4 guaranteed 5:8 guidelines 12:17	hourly 6:5 hours 5:2,3,11 5:12,22,24 7:7 7:8 hybrid 4:12
			i
			ida 1:3,15,16 7:22,22 10:18 11:8,12 15:5 23:4 26:9 ida's 14:8 identifying 9:7 illegal 20:21 important 5:6 14:11 16:15 22:3 25:11 included 16:7 17:24 includes 3:3,17 income 26:8 incorporated 10:17 independent 10:14 12:15 independently 9:21 information 3:18 11:23,25 18:7 25:9,18 interested 5:10 28:17 internal 8:19 9:11 18:18
	g	h	
	garage 13:12 general 13:9 generally 4:9 9:13,23 18:16 18:22 19:5 20:15 21:3 getting 11:15 give 6:4 19:5 given 16:6 28:13 gjonaj 1:11 2:11,12 21:14 23:14,17,21 24:12 26:23 go 7:23 25:22	h 1:13 hand 28:20 handles 18:3 happen 8:7 happens 13:4 18:19 hardcopies 7:20 heard 25:3 held 24:25 hereinbefore 28:11 hereunto 28:19 high 9:3 highlight 17:17	

investment 3:6 3:20 12:16 18:2 issuance 8:7 issue 7:25 10:8 10:13 12:10,15 19:7 25:21 issued 3:5 items 9:15 17:23	19:8 20:3 23:12 24:8 level 5:9 6:5 20:12,16 liabilities 13:19 liability 11:8 15:13 lieu 11:24 light 20:5 little 3:25 7:19 15:24 loan 11:9,15 13:9,14,23,25 14:15 longer 10:23 look 8:19,22,24 9:2,3,15 10:21 10:25 11:6 12:21,24 13:2 13:4,15,18,21 13:24 14:4 15:4 17:18 18:4,24 19:3 19:20 21:10 22:6 23:8 25:16 looked 10:19 25:23 looking 5:19 16:18 26:10 lot 9:18 11:20 15:9 16:25	m madam 2:13 make 6:19,20 11:5,14 12:11 12:25 16:5 21:2,5 22:25 23:14,21,24 24:3,12 management 19:8 20:3 management's 8:10 20:25 manager 6:2 march 4:18 13:5 19:9,11 markers 12:8 marketplace 7:2 marriage 28:16 material 20:13 matter 27:4 28:18 matters 20:4 mcgill 1:15 7:14 14:13,23 15:2 23:24 24:3,22 26:18 mean 14:5 means 19:19 26:7 meeting 1:3 2:1 2:4 3:1 4:1 5:1 6:1,9 7:1 8:1	9:1 10:1 11:1 12:1 13:1 14:1 15:1 16:1 17:1 18:1,15,15 19:1,9 20:1 21:1 22:1 23:1 24:1 25:1 26:1 27:1 28:1 melissa 1:10 2:10 member 1:10 1:11 mentioned 3:23 12:21 13:22 michael 25:11 microphone 3:10 minutes 1:2 misstatements 19:25 motion 23:11 23:13,14,21,25 24:4,10,13,15 26:22 move 20:19
j jaime 1:15 january 13:5 18:20 journal 20:7 juncture 24:20			
k kind 8:12 10:17 16:6 18:3,24 know 10:4 11:21 12:12 15:8 16:2 17:11 20:18 22:2,16			
l larkin 13:12 law 3:8,22 laws 21:7 leases 18:6 leave 24:21 letter 2:21,23 3:14,17 14:19			
		n nacerino 1:10 2:10 narrative 8:12 nathan 28:7,23 need 3:9 4:12 5:7 7:5 10:25 11:22 15:12	

23:17 25:19 26:3 needed 5:17 needs 4:18 nepperhan 1:5 net 9:17 new 1:5 8:17,17 12:2 13:24 15:17,24 18:6 28:4,8 notary 28:7 notice 14:14 notify 20:14 number 21:17 numbers 16:4,5 19:15,16	oh 15:20 okay 14:16,25 15:2 16:22 17:16 21:12 once 4:3 oommen 1:16 2:7,10,13,17 operation 10:24 17:24 opinion 19:15 19:23 opinions 10:13 order 2:5,5,19 12:12 outcome 28:17 outside 9:24 outstanding 10:25 overview 7:23	parties 28:15 partner 5:2,11 5:22 7:7 party 9:20 12:9 16:4 past 22:15 pause 24:22 pay 11:13 13:13 14:22 payable 16:2 paying 17:8 payments 11:24 payroll 8:20 pension 12:3 17:3,12 22:7 25:21 pensions 15:4,7 15:10 people 4:25 5:13 6:13 25:8 percent 4:16,19 15:22,23 perform 9:11 pick 15:25 18:9 piece 15:24 16:2 pier 10:16 13:23 22:17 23:5 26:3 pkf 1:14 place 18:22 plan 7:18 9:9 9:10,13 10:2	15:18 22:7 23:25 24:4,7,9 24:11 planning 18:15 plans 15:19 play 5:16 pleased 25:3 point 10:6 22:8 policies 8:17 policy 8:17 portion 4:7 12:5 position 9:17 power 13:24 powerpoint 7:19 preliminary 4:9 prepare 10:7 20:23 pretty 2:24 principles 21:4 probably 4:12 15:21 problem 6:6 procedures 8:18 process 7:24 profitable 13:13 proportion 4:24 proportions 15:11
o	o 1:8,13 o'connor 1:14 obligated 14:9 14:22 obligation 16:11 26:12 obligations 25:25 obtain 19:18 obviously 8:13 8:22 10:4 12:12 19:7 20:5,19 22:14 odd 19:2 officer 1:16	p	
	p.m. 1:4 27:3 packet 2:23 20:10 page 2:24 3:15 7:21 8:11,11 10:11 12:19 18:12 20:23 23:2 pages 19:12 paid 4:20 13:25 pardon 24:2 part 12:2 17:23		

propose 20:8 provide 25:18 provisions 21:7 public 3:7,22 12:14 19:10 28:7 put 7:19	recorded 12:7 recording 20:10 regulations 21:7 reimburse 14:9 reimbursed 11:16 reimbursing 11:10 related 28:15 relationship 25:4 relatively 21:23 remaining 4:19 remote 4:13 render 19:23 rendering 19:15 rental 11:12 report 3:3,5,6 3:20,21 10:12 10:14 12:5,9 12:10,16,18 15:16 25:24 26:4 reporting 9:6 reports 7:25 8:8 10:9 19:5,7 22:12 required 8:25 20:8 responsibilities 8:9,10	responsibility 21:2 responsible 11:13 restaurant 10:23 restricted 12:23 result 25:15 retirement 12:3 review 2:19 18:17 reviewed 24:5 reviews 18:25 right 2:15 4:5 5:25 6:11,14 6:18 7:12,15 14:10,23 17:6 17:21 21:15 22:5 23:6,9,15 23:23 24:14,15 24:20 26:15,24 rise 20:11 robert 1:14 role 5:15 roll 2:6 run 6:2	scope 8:2 19:21 second 19:17 23:16,16,18 24:15 26:23 section 11:9 see 13:5 19:2,4 seeing 15:9 16:25 selective 9:11 senior 5:2,10 5:21 7:7 sent 9:21 separate 3:19 12:17 15:16 services 7:17 session 24:25 set 28:11,20 seven 18:12 several 10:16 share 12:5 16:9 17:13 sheet 9:14 siby 1:16 18:17 25:11 signature 28:23 significant 8:3 9:4,7,22 13:17 20:4,12 26:8 similar 2:25 3:16 singer 1:9 2:2,8 2:9,15,18 3:9 4:5,22 6:7,11 6:15,18,23
q			
quality 5:17 question 23:4 questions 7:13 7:13,14 21:13 quickly 19:12 quite 21:16 quorum 2:14 2:16			
r			
r 1:8,13 28:2 raised 6:8 rates 6:5 really 4:17 14:20 21:10 26:4 reasonable 19:18 recall 6:10 receipts 8:21 receivable 9:22 12:25 13:14 receivables 11:2 13:7,8 record 18:4 28:12			
		s	
		sample 8:23 18:18 satisfied 6:24 schedules 3:4 3:19 11:21	

7:12,15 14:3 14:10,17 15:7 15:20 16:8,11 16:14,17,20,23 17:7,11,18,21 21:12,15,19 22:2,5,11,17,22 23:3,8,15,19,22 24:2,6,14,19 25:2 26:7,15 26:20,24 single 19:20 sit 17:2 18:16 six 12:19 15:23 slide 8:5 sophisticated 21:24 speak 18:16 spend 4:11 ss 28:4 staff 24:21 25:5 standards 19:17 21:5 start 9:14 started 4:10 10:19 state 12:2,6 15:17,18,24 22:13 28:4,8 state's 12:4 17:12 statement 10:7 statements 10:15 19:24	20:24 stops 11:12 subscription 18:7 subsequent 23:5,6 substantive 18:21 suite 1:5 supplemental 11:20 supplementary 3:4,18 sure 6:17,22 7:4,10 12:11 13:2 15:15 16:16 17:8,10 17:16,20 21:2 21:6 22:10,25 25:23 26:6,14 sworn 28:11 system 12:3	technology 18:8 tell 7:16 15:17 ten 22:15 test 8:20,21 9:10 testimony 28:13 testing 18:21 tests 9:11 thank 3:12 7:11 25:6 26:25 things 5:5,20 6:25 12:11,13 17:2 think 2:22 10:19 11:2,4 third 9:20 12:9 16:4 three 8:11 time 5:4 17:4 25:20 timeline 18:13 timing 8:6 together 7:19 10:9 took 11:8 training 5:14 transaction 19:21 true 28:12 try 19:18 turn 7:21 10:11 12:19	two 7:21 type 16:4 20:20 u ultimately 20:25 understand 7:6 understanding 8:16 15:13 update 8:15 use 23:4 26:11 usually 4:20 v valid 13:8 varies 13:20 various 18:23 victor 1:11 2:11 view 22:9 viewed 7:3 visible 25:21 w want 7:4 17:7 21:21 22:25 25:6,22 way 7:3 9:16 17:14 19:4 25:9 28:17 we've 8:13 21:16 weakness 20:13 week 4:11 went 3:2
	t t 1:13 28:2,2 take 13:21,23 14:4 takes 18:22 talk 4:3 7:24 8:2 14:18,24 talked 15:3 taxes 11:24 team 4:14 18:10		

westchester 28:5 whereof 28:19 witness 28:10 28:13,19 work 4:2,9,15 8:7 22:19 25:10,12 workforce 17:25 18:2 working 22:21 works 4:14 world 5:18 wrap 4:17 written 23:12	york 1:5 12:2 13:24 15:18,24 28:4,8
x	
x 1:2,6	
y	
yeah 3:13 23:17 year 2:25 3:16 3:24 11:3 13:3 13:3,20,21 19:2 years 6:3 8:14 10:16 21:17 22:15 yedc 1:16 yonkers 1:3,5 2:3 7:22 9:25 10:16 11:10 13:12,23	



City of Yonkers Industrial Development Agency

**Report to the Audit Committee
December 31, 2024**

March 27, 2025

Robert Daniele, Partner
rdaniele@pkfod.com

A large, thick blue circular graphic that is partially cut off on the left side, framing the text 'KNOW GREATER VALUE'.

**KNOW
GREATER
VALUE**



March 27, 2025

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, 2024.

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

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Contents

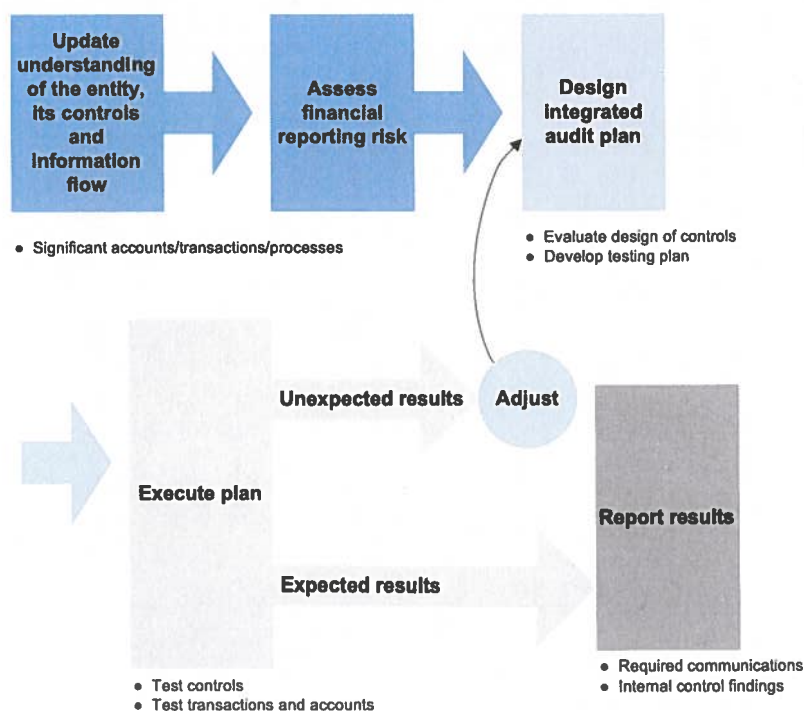
Status of the Audit and Other Services/Audit Approach	1
Financial Statement Highlights	2
Required Communications and Other Matters	4
Communication of Internal Control Matters	9
Management Representation Letter	11
About PKF O'Connor Davies, LLP	18

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

	2024	2023
ASSETS		
Cash and equivalents	\$ 5,640,216	\$ 5,073,226
Accounts receivable, net of allowance for uncollectible amounts of \$0 at December 31, 2024 and \$96,250 at December 31, 2023	259,096	69,734
Loan receivable, net of allowance for uncollectible amounts of \$2,820,364 at December 31, 2024 and \$2,784,061 at December 31, 2023 (Note 3)	-	-
Lease receivable, net of allowance for uncollectible amounts of \$0 at December 31, 2024 and \$115,385 at December 31, 2023	-	-
Restricted cash	218,414	399,177
	<u>6,117,726</u>	<u>5,542,137</u>
Non-current assets		
Capital assets being depreciated, net	1,376,757	1,927,458
Total Assets	<u>7,494,483</u>	<u>7,469,595</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	360,120	396,046
LIABILITIES		
Accounts payable	88,619	78,062
Accrued expenses	322,082	279,703
Escrow deposits	157,150	156,678
Due to other governments	-	159,590
Due to other entities	55,050	38,150
Non-current liabilities		
Loans payable, due within one year	-	131,984
Loans payable, due in more than one year	-	425,000
Net pension liability	304,664	457,876
Total Liabilities	<u>927,565</u>	<u>1,727,043</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	172,561	33,244
NET POSITION		
Net investment in capital assets	1,376,757	1,370,474
Restricted		
Yonkers Pier activities	9,523	111,282
Unrestricted	5,368,197	4,623,598
Total Net Position	<u>\$ 6,754,477</u>	<u>\$ 6,105,354</u>

Financial Statement Highlights (Continued)

COMPARATIVE STATEMENT OF ACTIVITIES

	2024	2023
OPERATING REVENUES		
Agency and refinancing fees	\$ 1,591,788	\$ 1,403,395
Management administration fees	169,000	160,000
Application fees	7,800	3,000
License fee	20,000	56,583
Miscellaneous income	1,410	974
Total Operating Revenues	1,789,998	1,623,952
OPERATING EXPENSES		
Salaries	457,313	447,586
Payroll taxes and employee benefits	184,467	210,383
Rent	162,567	157,507
Consulting and professional fees	174,723	357,506
Advertising, printing and reproduction	295,610	289,809
Travel	6,630	6,022
Insurance	4,046	5,850
Conferences and meetings	7,291	19,134
Communications	28,068	27,881
Office supplies and other	13,710	11,034
Depreciation	550,701	551,105
Total Operating Expenses	1,885,126	2,083,817
Loss from Operations	(95,128)	(459,865)
NON-OPERATING REVENUES (EXPENSES)		
Workforce investment grant income	2,256,139	1,319,913
Workforce investment grant expenses	(2,256,139)	(1,319,913)
Forgiveness of loan payable - Section 108 Loan	525,000	-
Interest income	220,964	151,728
Interest expense	(1,713)	(23,716)
Total Non-Operating Revenues (Expenses), net	744,251	128,012
Change in Net Position	649,123	(331,853)
NET POSITION		
Beginning of Year	6,105,354	6,437,207
End of Year	\$ 6,754,477	\$ 6,105,354

Required Communications and Other Matters

Required Item	Comments
Auditor's responsibility under professional standards and planned scope and timing of the audit	We have communicated such information in our engagement letter to you dated December 2, 2024. Generally, these responsibilities include: • Forming and expressing an opinion on the financial statements. • Obtaining reasonable assurance the financial statements are free of material misstatements, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to TCWG. • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Supplementary information accompanying the financial statements	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.
Other Supplementary information accompanying the financial statements	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.

Required Item	Comments
Our responsibilities under the Yellow Book	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.
Responsibilities of management and TCWG	Management's responsibilities include: • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • 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. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.
Qualitative aspects of accounting practices - Accounting Policies	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. 101, "Compensated Absences". The Agency evaluated the impact of the statement and determined the amounts were not material to the financial statements. 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. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Required Item	Comments
Qualitative aspects of accounting practices – Significant Unusual Transactions	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.
Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment	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. 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: • Actuarial assumptions and proportionate share calculations related to pension liabilities • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts • Estimates for certain operating and long-term liabilities 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.
Qualitative aspects of accounting practices - Financial Statement Disclosures	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: Note 2 which summarizes significant accounting policies Note 7 which summarizes long-term liabilities including pension obligations The financial statement disclosures are consistent and clear.

Required Item	Comments
Going concern	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. We concur with management's assessment that the Agency will continue as a going concern for one year from the balance sheet date.
Significant risks	We have identified the following significant risks in connection with our audit: Management override of internal controls Improper revenue recognition to due to fraud 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.
Difficulties encountered in performing the audit	We encountered no significant difficulties in dealing with management relating to the performance of our audit.
Corrected and uncorrected misstatements	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. 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. 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.

Required Item	Comments
Disagreements with management	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.
Management representations	We have requested certain representations from management that are included in the management representation letter.
Management's consultations with other accountants	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.
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Agency in accordance with relevant professional standards.
Significant issues discussed with management prior to retention	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, 2024, 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

March 27, 2025

Management Representation Letter

March 27, 2025

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, 2024 and 2023, 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 December 2, 2024:
 - 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, 2024 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, the balance of the lease revenue was written off at December 31, 2024.
- The Agency has evaluated the impact of Statement No. 101 *"Compensated Absences"* and has determined that the amounts are not material to the financial statements for the year ended December 31, 2024.

- 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, 2024, 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,

The Honorable Ms. Cecile Singer
Chairperson

Ms. Jaime McGill
Executive Director

Mr. 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 19 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 26th on *Accounting Today's* 2024 "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

#26 "Top 100 Firms"

"Top Tax Firm"

"Leaders in 'Audit & Attest' and 'Consulting'"

#5 of the "Top Firms in the Mid-Atlantic"

— *Accounting Today*, 2024

"Best of Accounting Client Satisfaction"

— *ClearlyRated*, 2024

"Top Accountancy Advisory"

— *Family Wealth Report*, 2024

"America's Best Tax and Accounting Firms"

— *Forbes*, 2023

"Accounting/Due Diligence Firm of the Year"

— *The M&A Advisor*, 2024

#10 of the 50 "Best Accounting Employers to Work for in North America"

#1 in Five Categories: Best in Accounting and Overall Internships, Quality of Life, Compensation and Overall Diversity

— *Vault*, 2025

"Best Company to Work for in New York"

— *Rochester Business Journal* and *NYS Society for Human Resources Management*, 2025

"Best Places to Work in NYC"

— *Crain's New York Businesses*, 2024

"Best Places to Work in Westchester"

— *914INC.*, 2025

"Top Workplaces in Western Connecticut"

— *Hearst Connecticut Media Group*, 2024

"Best Places to Work in New Jersey"

— *NJBIZ*, 2024

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 & ASSURANCE

- Agreed-Upon Procedures
- Audits, Reviews and Compilations
- Employee Benefit Plan Audits, including ESOPs
- Endowment Fund Accounting
- Peer Review Services
- Public Company Services
- Public Sector Audits and Compliance
- SOC - System and Organizational Control Reporting



TAX SERVICES

- Business Tax
- Employee Benefit Planning and Tax Compliance
- International Tax (Asia, EU and Latin America Desks)
- Private Client Services
- R&D Tax Credit
- State and Local Tax (SALT)
- Trust and Estate Planning



BUSINESS CONSULTING

- Bankruptcy
- ESG
- Litigation Support and Forensics (Fraud, Integrity Monitoring and Litigation Support)
- Operational and Cost Effectiveness
- Risk Advisory Services
 - Internal Audit
 - Regulatory Solutions (AML and SOX)
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights
- Strategy and Transformation
- Strategy and Transaction Advisory
 - Turnaround and Restructuring
 - PKF Investment Banking
 - Acquisition Advisory
 - Exit Readiness and Transaction Planning
 - M&A Cybersecurity and Data Privacy Advisory
 - Sell-Side Advisory



TECHNOLOGY & CYBERSECURITY

- Cybersecurity and Privacy
 - Cybersecurity Maturity Model Certification (CMMC)
 - Dark Web Monitoring
 - Digital Forensic Services
 - General Data Protection Regulation (GDPR)
 - M&A Cybersecurity and Data Privacy Advisory
 - Penetration Testing
 - Virtual Chief Information Security Officer Services (vCISO)
- IT and Cybersecurity Audit
- Technology Advisory



PRIVATE CLIENT SERVICES

- Family Office
- Private Business Owners
- Trust and Estate Planning



OUTSOURCED SERVICES

- CFO Solutions
- Outsourced Accounting
 - Portfolio Company Accounting
- Recruitment Services
- Virtual Chief Information Security Officer Services (vCISO)

"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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City of Yonkers Industrial Development Agency

Schedule of Cash and Investments

Years Ended December 31, 2024 and 2023

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City of Yonkers Industrial Development Agency

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Schedule of Cash and Investments	3
Notes to Schedule of Cash and Investments	5
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 <i>Government Auditing Standards</i>	7



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, 2024 and **2023** 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, 2024 and **2023**, 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 February xx, 2025 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
February xx, 2025

City of Yonkers Industrial Development Agency

Schedule of Cash and Investments
December 31,

	<u>2024</u>	<u>2023</u>
Cash and equivalents	\$ 5,640,216	\$ 5,073,226
Restricted cash	<u>218,414</u>	<u>399,177</u>
	<u>\$ 5,858,630</u>	<u>\$ 5,472,403</u>

See accompanying notes.

City of Yonkers Industrial Development Agency

Notes to Schedule of Cash and Investments
Years Ended December 31, 2024 and 2023

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, 2024 and 2023.

City of Yonkers Industrial Development Agency

Notes to Schedule of Cash and Investments (Concluded)
Years Ended December 31, 2024 and 2023

Note 2 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Agency's name. The Agency's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2024 and 2023.

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:

	2024	2023
Yonkers Pier	\$ 10,022	\$ 118,460
Workforce Investment Board	51,242	124,039
Escrow Deposits - Payment in Lieu of Tax Agreements	157,150	156,678
	<u>\$ 218,414</u>	<u>\$ 399,177</u>



**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 and for the year ended December 31, 2024 and the related notes to the Schedule, and have issued our report thereon dated **March xx, 2025**.

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
March xx, 2025



City of Yonkers Industrial Development Agency

Report to Those Charged with Governance

December 31, 2024

March XX, 2025

Prepared by

Robert A. Daniele, CPA

Partner

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**KNOW
GREATER
VALUE**

March XX, 2025

**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, 2024 and have issued our report thereon dated March XX, 2025.

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 December 2, 2024. 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

Contents

Status of the Audit	4
Required Communications and Other Matters.....	5
Internal Control Over Financial Reporting	11
On the Horizon.....	12

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
Auditor's responsibility under professional standards and planned scope and timing of the audit	We have communicated such information in our engagement letter to you dated December 2, 2024. Generally, these responsibilities include: • Forming and expressing an opinion on the financial statements. • Obtaining <i>reasonable assurance</i> that the financial statements are free of material misstatements, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
Supplementary information accompanying the financial statements	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.
Other supplementary information accompanying the financial statements	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.

Required Item	Comments
Required supplementary information accompanying the financial statements	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.
Other information in documents containing audited financial statements	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.
Our responsibilities under the Yellow Book	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.
Responsibilities of management and TCWG	Management's responsibilities include: • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • 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. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.

Required Item	Comments
Qualitative aspects of accounting practices - Accounting Policies	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. 101, "Compensated Absences". The Agency evaluated the impact of the statement and determined the amounts were not material to the financial statements. 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. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.
Qualitative aspects of accounting practices – Significant Unusual Transactions	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.
Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment	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. 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: • Actuarial assumptions and proportionate share calculations related to pension liabilities • Asset lives for depreciable capital assets • Estimates of certain receivable balances and allowances for uncollectible amounts • Estimates for certain operating and long-term liabilities

Required Item	Comments
Qualitative aspects of accounting practices - Financial Statement Disclosures	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: • Note 2 – which summarizes significant accounting policies • Note 7 – which summarizes long-term liabilities including pension obligations The financial statement disclosures are consistent and clear.
Going concern	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. We concur with management's assessment that the Agency will continue as a going concern for one year from the balance sheet date.
Significant risks	We have identified the following significant risks in connection with our audit: Management override of internal controls Improper revenue recognition to due to fraud 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.
Difficulties encountered in performing the audit	We encountered no significant difficulties in dealing with management in performing and completing our audit.

Required Item	Comments
Corrected and uncorrected misstatements	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. 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. 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. 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.
Disagreements with management	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.
Management representations	We have requested certain representations from management that are included in the management representation letter (see Appendix 2).
Management's consultations with other accountants	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.
Auditor independence	We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.

Required Item	Comments
Significant issues discussed with management prior to retention	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Entity's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Yonkers Industrial Development Agency's ("Agency") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, we express no such opinion.

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

- A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.
- A **material weakness** is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.
- A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

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

Harrison, New York
March XX, 2025

On the Horizon

GASB Statement No. 102 – Certain Risk Disclosures

The objective of this Statement is to disclose within government financial statements risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are **effective for fiscal years beginning after June 15, 2024 (i.e., the Agency's financial statements for the year ended December 31, 2026).**

GASB Statement No. 103 – Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues as follows:

- **Management's Discussion and Analysis ("MD&A")** - This Statement requires that the information presented in the MD&A be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions or Conditions. The Statement requires that the detailed analyses within the MD&A should not only present the amounts or percentages of changes from the prior year, but also include explanations as to the reasons for the changes. The Statement emphasizes that only the most relevant information be presented by eliminating duplicative explanations and removing "boilerplate" discussions.
- **Unusual or Infrequent Items** - This Statement describes unusual or infrequent items as transactions and other events that are either unusual or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements.
- **Presentation of Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position** - This Statement requires that proprietary fund statements continue to distinguish between operating and nonoperating revenues and expenses as in the past. However, in addition to the subtotals currently presented, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

GASB Statement No. 103 – Financial Reporting Model Improvements (Continued)

- Major Component Unit Information - This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is reduced, combining statements of major component units should be presented after the fund financial statements.
- Budgetary Comparison Information – This Statement requires governments to present budgetary comparison information as Required Supplementary Information (similar to pension and other postemployment benefits reporting). Governments are also required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in the notes to the Required Supplementary Information.

The requirements of this Statement are **effective for fiscal years beginning after June 15, 2025 (i.e., the Agency's financial statements for the year ended June 30, 2026).**

Appendix 1

Corrected Misstatements

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**City of Yonkers Industrial Development Agency
Corrected Misstatements
December 31, 2024**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To record depreciation expense for the 2024FY.			
9230	Pier Depreciation Expense	550,701.00	
4051	Pier Accumulated Depreciation		550,701.00
Total		550,701.00	550,701.00
Adjusting Journal Entries JE # 2			
To Write off Lease receivable for X20 and pier as it filed bankruptcy and the Yonkers IDA will not receive this receivable			
2010	Allowance for Doubtful Account	96,250.00	
9999	Allowance for Doubtful Accounts - Lease	115,385.00	
2002	Accounts Receivable - PIER		96,250.00
2057	Lease Receivable GASB 87		115,385.00
Total		211,635.00	211,635.00
Adjusting Journal Entries JE # 3			
To Adjust GASB 68 accounts per analysis			
5010	GASB 68 Pension Liability	153,212.00	
8125	Pension Costs	22,031.00	
3012	GASB 68 - Prepaid Expense		35,926.00
5302	GASB 68 Deferred Income		139,317.00
Total		175,243.00	175,243.00
Adjusting Journal Entries JE # 4			
To adjust interest receivable and allowance for amount due for the Larkin Garage Project. No amounts paid in 2024			
2082	Loan Rec. Larkin Garage Int	36,303.00	
2085	Allowance for Larkin Garage		36,303.00
Total		36,303.00	36,303.00
Adjusting Journal Entries JE # 5			
To record entries made by client after original import			
2003	Accounts Receivable-Workforce	259,096.00	
8000	Salaries	65,679.00	
8025	Workforce Salaries	86,576.00	
8100	Payroll Taxes-FICA	5,024.00	
8125	Pension Costs	46,194.00	
8192	Workforce-Payroll Related Exp.	6,623.00	
8195	Workforce Employee Benefits	68,491.00	
5005	Accrued Expenses		116,897.00
5006	Workforce-Accrued Expenses		161,690.00
7098	Workforce Grant		259,096.00
Total		537,683.00	537,683.00

City of Yonkers Industrial Development Agency

**Corrected Misstatements
December 31, 2024**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
To Reclass Fund Balance			
6202	Restricted Yonkers Pier	101,759.00	
6204	Net Investmnt in Capital Asset	164,040.00	
6200	Retained Earnings		265,799.00
Total		265,799.00	265,799.00
Adjusting Journal Entries JE # 7			
To accrue Audit Expense for PKFOD			
8550	Audit & Accounting Fees	36,500.00	
5000	Accounts Payable		36,500.00
Total		36,500.00	36,500.00

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Appendix 2

Management Representation Letter

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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 19 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 26th on *Accounting Today's* 2024 "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

- #26 "Top 100 Firms"
"Top Tax Firm"
"Leaders in 'Audit & Attest' and 'Consulting'"
#5 of the "Top Firms in the Mid-Atlantic"
– *Accounting Today*, 2024
- "Best of Accounting Client Satisfaction"
– *ClearlyRated*, 2024
- "Top Accountancy Advisory"
– *Family Wealth Report*, 2024
- "America's Best Tax and Accounting Firms"
– *Forbes*, 2023
- "Accounting/Due Diligence Firm of the Year"
– *The M&A Advisor*, 2024
- #10 of the 50 "Best Accounting Employers to Work for in North America"
#1 in Five Categories: Best in Accounting and Overall Internships, Quality of Life, Compensation and Overall Diversity
– *Vault*, 2025
- "Best Company to Work for in New York"
– *Rochester Business Journal* and *NYS Society for Human Resources Management*, 2025
- "Best Places to Work in NYC"
– *Crain's New York Businesses*, 2024
- "Best Places to Work in Westchester"
– *914INC.*, 2025
- "Top Workplaces in Western Connecticut"
– *Hearst Connecticut Media Group*, 2024
- "Best Places to Work in New Jersey"
– *NJBIZ*, 2024

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 & ASSURANCE

- Agreed-Upon Procedures
- Audits, Reviews and Compilations
- Employee Benefit Plan Audits, including ESOPs
- Endowment Fund Accounting
- Peer Review Services
- Public Company Services
- Public Sector Audits and Compliance
- SOC - System and Organizational Control Reporting



TAX SERVICES

- Business Tax
- Employee Benefit Planning and Tax Compliance
- International Tax (Asia, EU and Latin America Desks)
- Private Client Services
- R&D Tax Credit
- State and Local Tax (SALT)
- Trust and Estate Planning



BUSINESS CONSULTING

- Bankruptcy
- ESG
- Litigation Support and Forensics (Fraud, Integrity Monitoring and Litigation Support)
- Operational and Cost Effectiveness
- Risk Advisory Services
 - Internal Audit
 - Regulatory Solutions (AML and SOX)
- Services Offered by PKF Clear Thinking – Turnaround Advisory, Performance Improvement and Creditors' Rights
- Strategy and Transformation
- Strategy and Transaction Advisory
 - Turnaround and Restructuring
 - PKF Investment Banking
 - Acquisition Advisory
 - Exit Readiness and Transaction Planning
 - M&A Cybersecurity and Data Privacy Advisory
 - Sell-Side Advisory



TECHNOLOGY & CYBERSECURITY

- Cybersecurity and Privacy
 - Cybersecurity Maturity Model Certification (CMMC)
 - Dark Web Monitoring
 - Digital Forensic Services
 - General Data Protection Regulation (GDPR)
 - M&A Cybersecurity and Data Privacy Advisory
 - Penetration Testing
 - Virtual Chief Information Security Officer Services (vCISO)
- IT and Cybersecurity Audit
- Technology Advisory



PRIVATE CLIENT SERVICES

- Family Office
- Private Business Owners
- Trust and Estate Planning



OUTSOURCED SERVICES

- CFO Solutions
- Outsourced Accounting
 - Portfolio Company Accounting
- Recruitment Services
- Virtual Chief Information Security Officer Services (vCISO)

"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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City of Yonkers Industrial Development Agency

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

December 31, 2024 and 2023

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City of Yonkers Industrial Development Agency

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Comparative Statement of Net Position	7
Comparative Statement of Activities	8
Comparative Statement of Cash Flows	9
Notes to Financial Statements	10
Required Supplementary Information	
New York State and Local Employees' Retirement System	
Schedule of the Agency's Proportionate Share of the Net Pension Liability (Asset)	25
Schedule of Contributions	25
Other Supplementary Information	
Schedule of Indebtedness – Bonds and Notes	27
Schedule of Payments in Lieu of Taxes	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	



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, 2024 and 2023 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, 2024 and 2023 and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Management is responsible for the other supplementary information included in the annual financial report. The other supplementary information consists of the Schedule of Indebtedness – Bonds and Notes 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 February xx, 2025 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
February xx, 2025

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis

December 31, 2024

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, 2024. 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, 2024 and 2023 are attached. The chart below provides a condensed summary of revenues and expenses for the current and prior year.

	<u>2024</u>	<u>2023</u>
Operating Revenues	\$ 1,789,998	\$ 1,623,952
Operating Expenses	1,885,126	2,083,817

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis
December 31, 2024

Financial Operations Highlights (continued)

Operating Revenues

Revenues for 2024 were derived from 5 projects and as follows:

Project Agency Fees:

1. 44 Hudson - Miroza	592,857
2. 1111 Central Park Avenue	120,000
3. Main Street Lofts	7,302
4. Conifer – Warburton Apartments	266,688
5. The Abbey at Park	<u>552,441</u>
	\$1,539,288

Other Agency Fees:

Consent Fees	10,000
Transfer of Title Fees	10,000
Change of Agreement Fees	20,000
Termination Fees	10,000
Estoppel Agreement Fees	<u>2,500</u>
	\$ 52,500

Annual Management Fees:

Billable Projects	79,000
Larkin Management Fees	<u>90,000</u>
	\$169,000

Application Fees (13):

	\$ 7,800
1. CHPE LLC	
2. Verus Development	
3. Kearny Realty – The Abbey at Park	
4. Macquesten Development – 636 S Broadway	
5. 221 Buena Vista Group	
6. AMS North Broadway	
7. Park Square	
8. 325 S Broadway	
9. 53 S Broadway	
10. Cromwell Towers	
11. Sacred Heart	
12. HP River Club	
13. 555 Storage	

License Fee:

Pier Lease	\$ 20,000
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<u>Miscellaneous Income:</u>	\$ 1,410
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Total: **\$ 1,789,998**

City of Yonkers Industrial Development Agency

Management's Discussion and Analysis December 31, 2024

Financial Operations Highlights *(continued)*

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

At December 31, 2024, the Agency had \$7,494,483 in assets (cash, restricted cash, receivables, prepaid expenses, loan receivable and capital assets, etc.), \$360,120 in deferred outflows of resources, \$927,565 in liabilities (accrued expenses, loan payables, pension liability, etc.), \$172,561 in deferred inflows of resources and \$6,754,477 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 \$1,376,757. 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 \$9,523 for the Yonkers Pier activities. The balance of \$5,368,197 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,

	2024	2023
ASSETS		
Cash and equivalents	\$ 5,640,216	\$ 5,073,226
Accounts receivable, net of allowance for uncollectible amounts of \$0 at December 31, 2024 and \$96,250 at December 31, 2023	259,096	69,734
Loan receivable, net of allowance for uncollectible amounts of \$2,820,364 at December 31, 2024 and \$2,784,061 at December 31, 2023 (Note 3)	-	-
Lease receivable, net of allowance for uncollectible amounts of \$0 at December 31, 2024 and \$115,385 at December 31, 2023	-	-
Restricted cash	218,414	399,177
	<u>6,117,726</u>	<u>5,542,137</u>
Non-current assets		
Capital assets being depreciated, net	1,376,757	1,927,458
Total Assets	<u>7,494,483</u>	<u>7,469,595</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	360,120	396,046
LIABILITIES		
Accounts payable	88,619	78,062
Accrued expenses	322,082	279,703
Escrow deposits	157,150	156,678
Due to other governments	-	159,590
Due to other entities	55,050	38,150
Non-current liabilities		
Loans payable, due within one year	-	131,984
Loans payable, due in more than one year	-	425,000
Net pension liability	304,664	457,876
Total Liabilities	<u>927,565</u>	<u>1,727,043</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	172,561	33,244
NET POSITION		
Net investment in capital assets	1,376,757	1,370,474
Restricted		
Yonkers Pier activities	9,523	111,282
Unrestricted	5,368,197	4,623,598
Total Net Position	<u>\$ 6,754,477</u>	<u>\$ 6,105,354</u>

See notes to financial statements

City of Yonkers Industrial Development Agency

Comparative Statement of Activities Year Ended December 31,

	2024	2023
OPERATING REVENUES		
Agency and refinancing fees	\$ 1,591,788	\$ 1,403,395
Management administration fees	169,000	160,000
Application fees	7,800	3,000
License fee	20,000	56,583
Miscellaneous income	1,410	974
Total Operating Revenues	1,789,998	1,623,952
OPERATING EXPENSES		
Salaries	457,313	447,586
Payroll taxes and employee benefits	184,467	210,383
Rent	162,567	157,507
Consulting and professional fees	174,723	357,506
Advertising, printing and reproduction	295,610	289,809
Travel	6,630	6,022
Insurance	4,046	5,850
Conferences and meetings	7,291	19,134
Communications	28,068	27,881
Office supplies and other	13,710	11,034
Depreciation	550,701	551,105
Total Operating Expenses	1,885,126	2,083,817
Loss from Operations	(95,128)	(459,865)
NON-OPERATING REVENUES (EXPENSES)		
Workforce investment grant income	2,256,139	1,319,913
Workforce investment grant expenses	(2,256,139)	(1,319,913)
Forgiveness of loan payable - Section 108 Loan	525,000	-
Interest income	220,964	151,728
Interest expense	(1,713)	(23,716)
Total Non-Operating Revenues (Expenses), net	744,251	128,012
Change in Net Position	649,123	(331,853)
NET POSITION		
Beginning of Year	6,105,354	6,437,207
End of Year	\$ 6,754,477	\$ 6,105,354

See notes to financial statements

City of Yonkers Industrial Development Agency

Comparative Statements of Cash Flows
Year Ended December 31,

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from agency and other fees	\$ 1,601,108	\$ 1,731,573
Cash received from workforce grant	2,256,139	1,319,913
Cash payments for workforce employees	(2,256,139)	(1,319,913)
Cash payments for goods and services	(824,778)	(745,728)
Cash payments for salaries and benefits	(577,370)	(582,744)
Net Cash from Operating Activities	198,960	403,101
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Repayment of loans payable	(31,984)	(197,816)
Interest paid	(1,713)	(23,716)
Net Cash from Capital and Related Financing Activities	(33,697)	(221,532)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	220,964	151,728
Net Change in Cash and Equivalents	386,227	333,297
CASH AND EQUIVALENTS		
Beginning of year	5,472,403	5,139,106
End of year	<u>\$ 5,858,630</u>	<u>\$ 5,472,403</u>
RECONCILIATION OF CASH AND EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and equivalents	\$ 5,640,216	\$ 5,073,226
Restricted cash	218,414	399,177
Total Cash and Equivalents	<u>\$ 5,858,630</u>	<u>\$ 5,472,403</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (95,128)	\$ (459,865)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	550,701	551,105
Accounts receivable	(189,362)	76,716
Lease receivable	-	173,077
Deferred outflows of resources	35,926	64,160
Accounts payable	10,557	(35,040)
Accrued expenses	42,379	7,707
Escrow deposits	472	29,796
Due to other governments	(159,590)	159,590
Due to other entities	16,900	2,245
Deferred inflows of resources	139,317	(825,117)
Net pension liability (asset)	(153,212)	658,727
Net Cash from Operating Activities	<u>\$ 198,960</u>	<u>\$ 403,101</u>
NON-CASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES		
Forgiveness of loan payable - Section 108 Loan	<u>\$ 525,000</u>	<u>\$ -</u>

See notes to financial statements

City of Yonkers Industrial Development Agency

Notes to Financial Statements
December 31, 2024 and 2023

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, 2024 and 2023

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, 2024 and 2023.

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, 2024 and 2023

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 \$157,150 and \$156,678 as of December 31, 2024 and 2023.

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, 2024 and 2023, 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 7.

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, 2024 and 2023

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, 2024 and 2023

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 **February xx, 2025**.

Note 3 - Loan Receivable

Loan receivable at December 31, 2024 and 2023 consists of the following:

	<u>2024</u>	<u>2023</u>
Yonkers Larkin Garage, Inc.	\$ 2,629,000	\$ 2,629,000
Accrued Interest	191,364	155,061
Allowance for uncollectible amounts	<u>(2,820,364)</u>	<u>(2,784,061)</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, 2024 and 2023.

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 is as follows at December 31:

	<u>2024</u>	<u>2023</u>
Yonkers Pier	\$ 10,022	\$ 118,460
Workforce Investment Board	51,242	124,039
Escrow Deposits - Payment in Lieu of Tax Agreements	<u>157,150</u>	<u>156,678</u>
	<u>\$ 218,414</u>	<u>\$ 399,177</u>

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 5 - Lease Receivable

The Agency leases rental space. The lease was for twenty-four months and the Agency would receive monthly payments of \$15,000. This was superseded by a termination agreement for the period June through September 2024 which called for monthly payments of \$10,000. The Agency recognized \$20,000 in lease revenue recorded as license fee and \$0 in interest revenue during the current fiscal year related to this lease. As of December 31, 2024, the Agency's receivable for lease payments was \$0. During 2024, the lessee filed for bankruptcy and stopped making lease payments. The balance of the lease receivable was written off in 2024.

Note 6 - Capital Assets

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

	Balance January 1, 2024	Additions	Balance December 31, 2024
Capital assets, being depreciated:			
Leasehold improvements	\$ 11,014,025	\$ -	\$ 11,014,025
Furniture and fixtures	27,099	-	27,099
Total capital assets being depreciated	11,041,124	-	11,041,124
Less accumulated depreciation for:			
Leasehold improvements	9,086,567	550,701	9,637,268
Furniture and fixtures	27,099	-	27,099
Total accumulated depreciation	9,113,666	550,701	9,664,367
Capital assets, net	<u>\$ 1,927,458</u>	<u>\$ 550,701</u>	<u>\$ 1,376,757</u>
	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	11,041,124	-	11,041,124
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	8,562,561	551,105	9,113,666
Capital assets, net	<u>\$ 2,478,563</u>	<u>\$ 551,105</u>	<u>\$ 1,927,458</u>

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 7 - Long-Term Liabilities

The following table summarizes changes in the Agency's long-term liabilities for the years ended December 31, 2024 and 2023:

	Balance January 1, 2024	New Issues/ Additions	Maturities and/or Payments and Other	Balance December 31, 2024	Due Within One Year
Loans payable	\$ 556,984	\$ -	\$ 556,984	\$ -	\$ -
Net Pension Liability- ERS	457,876	-	153,212	304,664	-
Long-Term Liabilities	<u>\$1,014,860</u>	<u>\$ -</u>	<u>\$ 710,196</u>	<u>\$ 304,664</u>	<u>\$ -</u>

	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	-
Long-Term Liabilities	<u>\$ 754,800</u>	<u>\$ 457,876</u>	<u>\$ 197,816</u>	<u>\$ 1,014,860</u>	<u>\$ 131,984</u>

Loans Payable

Loans payable are comprised of the following:

Section 108 Loan - Yonkers Pier

The Agency took over a Section 108 loan in 2015. Principal repayments began April 1, 2015 (August 1, 2015 for Note C), along with quarterly interest payments, with any unpaid principal and interest due upon maturity. The loan bears interest at rates ranging from .31% to 3.1% depending on maturity. During 2024, the City agreed to pay all amounts due under the Pier Section 108 loan totaling \$525,000. Such amount was reflected as a loan forgiveness in the Statement of Activities at December 31, 2024.

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 monthly energy bill for the City. The principal balance of \$31,984 was satisfied in 2024.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 7 - Long-Term Liabilities (Continued)

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 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 2024 and 2023 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
2024	4 A15	17.6 %
	5 A15	15.2
	6 A15	11.2
2023	4 A15	14.8 %
	5 A15	12.8
	6 A15	9.4

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

	<u>2024</u>	<u>2023</u>
Measurement date	March 31, 2024	March 31, 2023
Net pension liability (asset)	\$ 304,664	\$ 457,876
Agency's proportion of the net pension liability (asset)	0.0020692 %	0.0021352 %
Change in proportion since the prior measurement date	(0.0000660) %	(0.0003218) %

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 7 - Long-Term Liabilities (Continued)

The net pension liability (asset) was measured as of March 31, 2024 and 2023 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, 2024 and 2023, the Agency recognized its proportionate share pension expense of \$67,724 and \$103,587. At December 31, 2024 and 2023, the Agency reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to the ERS from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 98,132	\$ 8,307
Changes of assumptions	115,187	-
Net difference between projected and actual earnings on pension plan investments	-	148,827
Changes in proportion and differences between Agency contributions and proportionate share of contributions	49,922	15,427
Agency contributions subsequent to the measurement date	96,879	-
	<u>\$ 360,120</u>	<u>\$ 172,561</u>
	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, 2024 and 2023

Note 7 - Long-Term Liabilities (Continued)

The amount of \$96,879 reported as deferred outflows of resources at December 31, 2024 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

For Years Ending March 31,	
2025	\$ (41,646)
2026	68,810
2027	92,344
2028	(28,828)
2029	-
	<u>\$ 90,680</u>

The total pension liability for the March 31, 2024 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, 2024
Actuarial valuation date	April 1, 2023
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.

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.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 7 - Long-Term Liabilities (Continued)

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 %	4.00 %
International Equity	15	6.65
Private Equity	10	7.25
Real Estate	9	4.60
Opportunistic/ARS Portfolio	3	5.25
Credit	4	5.40
Real Assets	3	5.79
Fixed income	23	1.50
Cash	1	0.25
	<u>100 %</u>	

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.

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:

	2024		
	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Agency's proportionate share of the net pension liability (asset)	<u>\$ 957,896</u>	<u>\$ 304,664</u>	<u>\$ (240,919)</u>
	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>

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2024 and 2023

Note 7 - Long-Term Liabilities (Continued)

The components of the current year collective net pension liability as of the March 31, 2024 measurement date were as follows:

Total pension liability	\$ 240,696,851,000
Fiduciary net position	<u>225,972,801,000</u>
Employers' net pension liability (asset)	<u>\$ 14,724,050,000</u>
Fiduciary net position as a percentage of total pension liability	<u>93.88%</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, 2024 represent the employer contribution for the period of April 1, 2024 through December 31, 2024 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, 2024 were \$96,879.

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.

Note 8 - Other Post Employment Benefit Obligations

The Agency does not provide healthcare benefits for retired employees.

Note 9 - Industrial Revenue Bonds and Notes

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.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Continued)
December 31, 2024 and 2023

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 - 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, 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.

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.

City of Yonkers Industrial Development Agency

Notes to Financial Statements (Concluded)
December 31, 2024 and 2023

Note 12 - 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 13 - Workforce Investment Board

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

Note 14 - Recently Issued GASB Pronouncements

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosures within government financial statements on risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending.

Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for reporting periods beginning after June 15, 2024.

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

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.

City of Yonkers Industrial Development Agency

Required Supplementary Information

December 31, 2024

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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)

	2024 (4)	2023 (3)	2022 (4)	2021 (4)	2020 (3)
Agency's proportion of the net pension liability (asset)	0.0020692%	0.0021352%	0.0024570%	0.0021987%	0.0021672%
Agency's proportionate share of the net pension liability (asset)	\$ 304,664	\$ 457,876	\$ (200,851)	\$ 2,189	\$ 573,899
Agency's covered payroll	\$ 931,748	\$ 901,731	\$ 871,815	\$ 855,744	\$ 830,853
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	32.70%	50.78%	-23.04%	0.26%	69.07%
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%
Discount Rate	5.90%	5.90%	5.90%	5.90%	6.80%

Schedule of Contributions

	2024	2023	2022	2021	2020
Contractually required contribution	\$ 107,374	\$ 89,348	\$ 118,698	\$ 104,612	\$ 95,101
Contributions in relation to the contractually required contribution	(107,374)	(89,348)	(118,698)	(104,612)	(95,101)
Contribution excess	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll	\$ 1,105,291	\$ 1,062,728	\$ 985,793	\$ 967,257	\$ 819,284
Contributions as a percentage of covered payroll	9.71%	8.41%	12.04%	10.82%	11.61%

(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.

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>

City of Yonkers Industrial Development Agency

Other Supplementary Information

December 31, 2024

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City of Yonkers Industrial Development Agency

Supplementary Information
Schedule of Indebtedness - Bonds and Notes
December 31, 2024

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2024	New Issues in 2024
Consumer Union	December 2005	6/1/2036	3.67%	\$ 47,300,000	\$ 29,000,000	\$ -
Sacred Heart A	September 2006	10/1/2037	3.80 - 5.00%	7,345,000	4,840,000	-
Jefferson Terrace - 2006 A	December 2006	5/1/2048	5.95%	3,600,000	3,037,676	-
Main Street Lofts	December 2005	12/1/2038	5.00%	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>\$ 176,035,000</u>	<u>\$ 154,667,676</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 2024	Balance at 12/31/2024	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	
\$ 29,000,000	\$ -	8	420	-	\$ n/a	\$ n/a	\$ n/a	Exempt
250,000	4,590,000	8	7	7	5,584	11,985	22,431	Exempt
56,985	2,980,691	8	3	3	n/a	n/a	n/a	Exempt
500,000	44,100,000	8	6	6	n/a	n/a	n/a	Exempt
-	1,950,000	8	345	345	n/a	n/a	n/a	Exempt
455,000	24,545,000	8	14	14	n/a	n/a	n/a	Exempt
775,000	45,465,000	8	14	14	n/a	n/a	n/a	Exempt
<u>\$ 31,036,985</u>	<u>\$ 123,630,691</u>							

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City of Yonkers Industrial Development Agency

Supplementary Information Schedule of Payments in Lieu of Taxes December 31, 2024

Project	Total	City	County
11-23 St. Casmir Avenue	\$ 37,500	\$ 32,584	\$ 4,916
188 Warburton - Shelter Rent	61,873	53,761	8,112
222 Lake Ave - Lake Opportunity Holdings	35,000	30,412	4,589
326 Riverdale Owners	331,398	287,952	43,446
34 Highland Partners LLC	56,100	48,745	7,355
411 Bronx River Development LLC	69,996	60,820	9,177
555 Storage	275,721	239,574	36,147
56 Prospect Holdings LLC	29,664	25,775	3,889
57 Alexander	133,019	115,580	17,439
70 Ashburton Ave - Hudson Blue	160,619	139,562	21,057
76 Locust Hill	26,580	23,095	3,485
78 Morningside	19,669	17,090	2,579
1969 Central Park Ave LLC	18,653	16,208	2,445
9-11 Riverdale	11,695	10,162	1,533
AAM Yonkers A Hotel LLC	469,673	408,099	61,574
Ashburton Avenue, LP	980	852	128
Avalon ATI Site	690,047	599,582	90,465
Avalon Sun Sites	816,024	709,043	106,981
River Club DE - Collins III Yonkers Waterfront	509,578	442,772	66,806
CPG III - Shelter Rent	121,012	105,147	15,865
Cromwell Towers	239,425	208,036	31,389
Croton Heights	1,000	869	131
Dayspring Commons L.P.	82,431	71,624	10,807
Extell Hudson Waterfront LLC	380,948	331,006	49,942
FC Yonkers (Ridge Hill)	603,810	520,243	83,567
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
FC Yonkers (Ridge Hill)	627,997	543,280	84,717
Grant Park II	46,027	39,993	6,034
Greyston Bakery	25,000	21,627	3,373
Greyston Bakery - 44 Runyon	101,258	87,983	13,275
Horizon @ Ridge Hill	33,332	28,962	4,370

(Continued)

City of Yonkers Industrial Development Agency

Supplementary Information

Schedule of Payments in Lieu of Taxes (Continued)

December 31, 2024

Project	Total	City	County
InStock Cabinets	\$ 142,080	\$ 123,453	\$ 18,627
Jackson Terrace Preservation LLC	70,000	60,554	9,446
Jefferson Terrace	75,000	64,880	10,120
KCT Cubesmart	20,527	17,836	2,691
406 Walnut/Kubasek Owners LLC	274,472	236,155	38,316
Lionsgate - Phase 1	137,502	119,475	18,027
Lionsgate - Phase 2	699,479	607,778	91,702
Macys	1,316,972	1,144,317	172,655
Maple Realty Management Inc	20,145	17,504	2,641
MillCreek	65,640	57,035	8,605
Monastery Manor	40,000	34,603	5,397
Monastery Manor - Shelter Rent	46,002	39,971	6,031
Mulford I, LP	2,000	1,738	262
Parkledge Apartments	450,619	391,543	59,076
Post Street	76,800	66,732	10,068
P.S 6 - Shelter Rent	116,364	101,108	15,255
Point and Ravine	188,382	163,685	24,697
Rising Development	102,809	89,331	13,478
RiverTides	1,487,399	1,292,401	194,998
Riverview II Preservation LP	367,536	319,352	48,184
RMS Warburton	322,711	280,403	42,307
RXR Soyo	1,045,304	908,265	137,039
Sacred Heart	40,000	34,603	5,397
Sacred Heart - Shelter Rent	24,934	21,665	3,269
St. Casimirs, LP	94,074	81,741	12,333
Stagg Construction	272,713	236,961	35,753
Tacos El Poblano	16,180	14,059	2,121
Warburton Riverview Owners LLC	27,720	24,086	3,634
Westchester ALP 1	81,600	70,902	10,698
Westchester ALP 2	18,400	15,988	2,412
Whitney Young	160,471	139,433	21,038
Woodstock	30,000	26,067	3,933
Woodstock - Shelter Rent	7,204	6,232	972
MGM Yonkers	5,381,493	4,675,979	705,514
Yonkers BV AMS LLC	28,281	24,574	3,708
Yonkers Contracting Company	83,458	72,517	10,941
70 Pier	31,666	27,515	4,151
Mary The Queen	2,568	2,231	337
St. Clair	46,743	40,615	6,128
Wheeler Block	14,587	12,674	1,912
155 Elliott	45,000	39,101	5,900

City of Yonkers Industrial Development Agency

Supplementary Information
Schedule of Straight-Lease Transactions Executed in 2024
December 31, 2024

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

Project Purpose Codes

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

See independent auditors' report.



**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, 2024 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 **February xx, 2025**.

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
February xx, 2025

DRAFT