

**City of Yonkers Industrial Development Agency**

Financial Statements

December 31, 2016 and 2015

# City of Yonkers Industrial Development Agency

## Table of Contents

---

	<u>Page No.</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3
Statements of Net Position	6
Statements of Activities	7
Statements of Cash Flows	8
Notes to Financial Statements	9-21
Required Supplementary Information	
Schedule of the Agency's Proportionate Share of the Net Pension Liability	22
Schedule of Contributions	23
Supplementary Information	
Schedule of Indebtedness – Industrial Revenue Bonds and Notes Issued, Outstanding or Retired	24
Schedule of Straight-Lease Transactions Executed in 2016	25-26
Schedule of Payments in Lieu of Taxes	27-28
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>	29-30



## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the City of Yonkers Industrial Development Agency ("Agency") which comprise the statements of net position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2016 and 2015, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Report on Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of indebtedness, straight-lease transactions executed in 2016, and payments in lieu of taxes, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2017 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**  
Harrison, New York  
March 28, 2017

# City of Yonkers Industrial Development Agency

Management's Discussion and Analysis  
December 31, 2016

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, 2016. Following this MD&A are the annual financial statements of YIDA together with the notes which are important to understanding the data presented in the financial statements. This MD&A highlights certain supplementary information to assist with the understanding of the YIDA's financial operations.

## **Operations**

YIDA is a public benefit corporation established by an act of the New York State Legislature in 1982, under Section 903 of the General Municipal Law. The Agency operates for the benefit of the City of Yonkers, New York ("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 Yonkers appoints a seven member Board of Directors comprised of both public officials and business leaders. This Board governs the YIDA by establishing official policies and reviewing and approving requests for financial assistance. Operations and activities of the Agency, its members, officers and employees are carried out in accordance with State law.

YIDA's mission includes undertaking projects and programmatic initiatives in furtherance of and to advance the job opportunities, health, general prosperity and economic welfare of the people of the City and to improve their recreational opportunities, prosperity and standard of living. YIDA works to create economic development and job growth throughout the City by attracting new businesses, retaining existing ones and helping them all become more competitive in a global marketplace. The Agency accomplishes this mission by offering financial assistance in the form of Sales and Use Tax Exemptions, Mortgage Recording Tax Exemptions and Payment-In-Lieu-of-Tax agreements (PILOTs) and by issuing tax exempt Industrial Development Bonds (IDB's).

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

## **Financial Operations Highlights**

The financial statements for the years ended December 31, 2016 and 2015 are attached. The chart below provides a condensed summary of revenues and expenses for the current and prior year.

	<u>2016</u>	<u>2015</u>
Operating Revenues	\$ 1,957,126	\$ 1,811,735
Operating Expenses	1,355,050	816,916

# City of Yonkers Industrial Development Agency

Management's Discussion and Analysis  
December 31, 2016

## Financial Operations Highlights (continued)

### **Operating Revenues**

Revenues for 2016 in the form of Agency fees were derived from eight projects and six refinances which closed as follows:

<u>Projects:</u>	
Thethi	\$ 15,000
Lowe's	115,366
Nepperhan Farms	12,500
Morris Builders	155,000
Cintas	135,500
Leggiadro	11,000
1175 Warburton	103,660
RXR/Rising	907,262
 <u>Refinances:</u>	
InStock	\$ 11,200
406 Walnut	29,250
45-51 Post Street	8,625
Westchester ALP	13,633

The Agency also received \$10,000 from the transfer of title fees from FC Yonkers.

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

At December 31, 2016, the Agency had \$12,530,761 in assets, \$431,667 in deferred outflows of resources, \$2,798,238 in liabilities, \$147,270 in deferred inflows of resources and \$10,016,920 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 \$4,058,818. 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 \$649,321 have been restricted for educational purposes and Yonkers Pier activities. The balance of \$5,308,781 is unrestricted. Detailed of these amounts are provided in the Statement of Net Position.

### **Required Supplementary Information**

The Schedule of the Agency's Proportionate Share of the Net Pension Liability, New York State and Local Employee's Retirement System is presented in accordance with the provisions of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

# City of Yonkers Industrial Development Agency

Management's Discussion and Analysis  
December 31, 2016

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

### ***Supplementary Information***

The Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired, Schedule of Straight-Lease Transactions and the Schedule of Payments in Lieu of Taxes is provided as supplementary information to the financial statements.

### **New Operations**

There were no new operations to report in 2016. In October 2015, the Yonkers Pier Development, Inc. and Subsidiary ("Corporation") was dissolved. All of the remaining assets and liabilities of the Corporation were transferred to the Agency. The Agency will continue to receive license fee revenues and is also obligated to pay certain liabilities.

### **Request for Information**

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency finances. Questions and comments concerning any information provided in this report or requests for additional information should be addressed to the Executive Director, Yonkers Industrial Development Agency, 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701.

**City of Yonkers Industrial Development Agency**

Statements of Net Position

	December 31,	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 3,164,283	\$ 2,179,094
Accounts receivable	209,520	217,941
Loan receivable	2,396,192	-
Interest receivable	35,477	-
Prepaid expenses	17,739	16,181
Restricted cash	924,658	3,617,066
Capital assets, net	<u>5,782,892</u>	<u>6,333,703</u>
 Total Assets	 <u>12,530,761</u>	 <u>12,363,985</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	 <u>431,667</u>	 <u>73,264</u>
 <b>LIABILITIES</b>		
Accounts payable	64,602	86,800
Accrued expenses	191,588	156,227
Unearned revenue	11,000	6,500
Due to other entities	388,696	595,957
Non-current liabilities		
Loans payable, due within one year	137,673	137,455
Loans payable, due in more than one year	1,586,401	1,723,601
Net pension liability, due in more than one year	<u>418,278</u>	<u>130,877</u>
 Total Liabilities	 <u>2,798,238</u>	 <u>2,837,417</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	 <u>147,270</u>	 <u>63,403</u>
 <b>NET POSITION</b>		
Net investment in capital assets	4,058,818	4,472,647
Restricted		
Educational purposes - Yonkers Racing Corporation	213,432	230,192
Yonkers Pier activities	435,889	365,446
Debt service	-	2,505,552
Unrestricted	<u>5,308,781</u>	<u>1,962,592</u>
 Total Net Position	 <u><u>\$10,016,920</u></u>	 <u><u>\$ 9,536,429</u></u>

See notes to financial statements

**City of Yonkers Industrial Development Agency**

Statements of Activities

	Year Ended December 31,	
	2016	2015
<b>OPERATING REVENUES</b>		
Agency fees	\$ 1,527,996	\$ 1,453,500
Management administration fees	74,500	69,000
Application fees	4,200	8,400
Donated rent	41,858	117,303
License fee	255,000	148,750
Miscellaneous income	53,574	14,782
	<u>1,957,128</u>	<u>1,811,735</u>
<b>OPERATING EXPENSES</b>		
Salaries	297,333	207,068
Payroll taxes and employee benefits	111,621	75,740
Rent	87,825	117,303
Consulting and professional fees	192,004	188,574
Advertising, printing and reproduction	51,703	79,884
Travel	6,866	6,111
Insurance	9,696	8,812
Conferences and meetings	3,921	2,867
Communications	20,840	22,637
Office supplies and other	22,431	16,027
Depreciation	550,811	91,893
	<u>1,355,051</u>	<u>816,916</u>
Income from Operations	<u>602,077</u>	<u>994,819</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Workforce investment grant income	1,028,974	1,031,161
Workforce investment grant expenses	(1,028,974)	(1,031,161)
Yonkers Racing Corporation Grant expense	(16,760)	(269,808)
Interest income	143,376	-
Interest expense	(30,943)	(25,406)
Transfer to Yonkers Community Development Agency	(217,259)	-
Transfer to New Main Street Development Corporation	-	(16,750)
Transfer from Yonkers Pier Development, Inc. and Subsidiary	-	4,820,338
Contribution of donated land	-	2,505,552
	<u>(121,586)</u>	<u>7,013,926</u>
Change in Net Position	<u>480,491</u>	<u>8,008,745</u>
<b>NET POSITION</b>		
Beginning of year, as reported	9,536,429	1,651,477
Cumulative effect of change in accounting principle	-	(123,793)
Beginning of year, as restated	<u>9,536,429</u>	<u>1,527,684</u>
End of year	<u>\$ 10,016,920</u>	<u>\$ 9,536,429</u>

See notes to financial statements

**City of Yonkers Industrial Development Agency**

Statements of Cash Flows

	Year Ended December 31,	
	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from agency and other fees	\$ 1,970,049	\$ 1,877,304
Cash received from workforce grant	1,028,974	1,031,161
Cash payments for workforce employees	(1,028,974)	(1,031,161)
Cash payments for goods and services	(626,303)	(528,757)
Cash payments for salaries and benefits	(360,728)	(246,986)
Net Cash from Operating Activities	<u>983,018</u>	<u>1,101,561</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of land	-	2,505,552
Purchase of loan receivable	(2,396,192)	-
Repayment of loans payable	(136,982)	(71,680)
Interest received	107,899	-
Interest paid	(30,943)	(25,406)
Net Cash from Capital and Related Financing Activities	<u>(2,456,218)</u>	<u>2,408,466</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfer to Yonkers Community Development Agency	(217,259)	-
Payment for Yonkers Racing Corporation grant expense	(16,760)	(269,808)
Payment to New Main Street Development Corporation	-	(16,750)
Transfer from Yonkers Pier Development, Inc. and Subsidiary	-	133,725
Net Cash from Non-Capital Financing Activities	<u>(234,019)</u>	<u>(152,833)</u>
Net Change in Cash and Cash Equivalents	(1,707,219)	3,357,194
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>5,796,160</u>	<u>2,438,966</u>
End of year	<u>\$ 4,088,941</u>	<u>\$ 5,796,160</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	\$ 3,164,283	\$ 2,179,094
Restricted cash	<u>924,658</u>	<u>3,617,066</u>
Total Cash and Cash Equivalents	<u>\$ 4,088,941</u>	<u>\$ 5,796,160</u>
<b>RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Income from operations	\$ 602,077	\$ 994,819
Adjustments to reconcile income from operations to net cash from operating activities		
Depreciation	550,811	91,893
Changes in operating assets and liabilities		
Accounts receivable	8,421	59,069
Prepaid expenses	(1,558)	6,999
Deferred outflows of resources	(358,403)	(21,992)
Accounts payable	(22,198)	33,027
Accrued expenses	35,361	38,599
Unearned revenue	4,500	6,500
Due to other entities	(207,261)	(126,568)
Deferred inflows of resources	83,867	63,403
Net pension liability	287,401	(44,188)
Net Cash from Operating Activities	<u>\$ 983,018</u>	<u>\$ 1,101,561</u>

See notes to financial statements

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 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.

### 2. Summary of Significant Accounting Policies

#### ***Financial Reporting Entity***

The Agency has been identified as an organization related to the City. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, the Agency is not considered a component unit of the City.

#### ***Basis of Accounting***

The accounting policies of the Agency conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

#### ***In-Kind Contributions***

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

#### ***Cash and Equivalents***

Cash and equivalents consist of funds deposited in time deposit accounts, demand deposit accounts and certificates of deposit with original maturities of less than three months. Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The Agency has entered into a custodial agreement with its depository which holds its deposits. This agreement authorizes the obligations that may be pledged as collateral. Such obligations include among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Agency's name. The Agency's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2016. The Agency had a bank balance of \$291,607 that was not covered by depository insurance and was exposed to custodial credit risk at December 31, 2015.

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 2. Summary of Significant Accounting Policies (Continued)

The Agency was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate risk.

#### ***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.

#### ***Capitalization and Depreciation***

Furniture and fixtures are stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over an estimated useful life of seven years. Leasehold improvements are recorded at cost. Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight line method. Costs incurred in relation to development of the project for interest, property taxes and insurance are capitalized only during periods in which activities necessary to prepare the property for its intended use are in progress. Expenditures for maintenance and repairs are charged to expense as incurred. The estimated service life of the leasehold improvements is 20 years.

#### ***Unearned Revenue***

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the financial statements, unearned revenues consist of amounts received in advance. The Agency has reported unearned revenues of \$11,000 for administrative filing fees received in advance. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

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

As of December 31, 2016, the Agency has reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Agency's pension plan in Note 6.

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

The net pension liability (asset) represents the Agency's proportionate share of the net pension liability (asset) of the New York State and Local Employees' Retirement System. The financial

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 2. Summary of Significant Accounting Policies (Continued)

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".

#### **Revenue Recognition**

The Agency charges an agency, management administration or application fee based on the amount of financing for each project at a predetermined rate. All such agency, management administration and application fees are collected and recognized as revenue at closing.

#### **Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets represents the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt that is directly attributable to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use. Net position on the statement of net position includes, net investment in capital assets, restricted for educational purposes, activities of the Yonkers Pier and debt service. The balance is classified as unrestricted.

#### **Use of Estimates**

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

#### **Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 28, 2017.

### 3. Loan Receivable

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

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 4. Restricted Cash

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

	2016	2015
Austin Avenue	\$ 13,722	\$ 13,722
Debt service – sale of donated land	-	2,505,552
Kubasek and Post	374,975	582,235
Yonkers Pier	314,065	204,448
Yonkers Racing Corporation	213,432	230,192
Workforce Investment Board	8,464	80,917
	\$ 924,658	\$ 3,617,066

### 5. Capital Assets

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

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

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 5. Capital Assets (Continued)

	Balance January 1, 2015	Transfer from Yonkers Pier Development, Inc. and Subsidiary	Contribution	Additions	Deletions	Balance December 31, 2015
Capital assets, not being depreciated						
Land	\$ -	\$ -	\$ 2,505,552	\$ -	\$ 2,505,552	\$ -
Capital assets, being depreciated						
Leasehold improvements	-	11,014,025	-	-	-	11,014,025
Furniture and fixtures	20,979	-	-	-	1,700	19,279
<b>Total capital assets being depreciated</b>	<b>20,979</b>	<b>11,014,025</b>	<b>-</b>	<b>-</b>	<b>1,700</b>	<b>11,033,304</b>
Less accumulated depreciation for						
Leasehold improvements	-	4,589,176	-	91,783	-	4,680,959
Furniture and fixtures	20,232	110	110	110	1,700	18,642
<b>Total accumulated depreciation</b>	<b>20,232</b>	<b>4,589,286</b>	<b>110</b>	<b>91,893</b>	<b>1,700</b>	<b>4,699,601</b>
<b>Capital assets, net</b>	<b>\$ 747</b>	<b>\$ 6,424,739</b>	<b>\$ 2,505,442</b>	<b>\$ (91,893)</b>	<b>\$ 2,505,552</b>	<b>\$ 6,333,703</b>

### 6. Long-Term Liabilities

The following table summarizes changes in the Agency's long-term liabilities for the year ended December 31, 2016:

	Balance January 1, 2016	New Issues/ Additions	Maturities and/or Payments and Other	Balance December 31, 2016	Due Within One Year
Loans payable	\$ 1,861,056	\$ -	\$ 136,982	\$ 1,724,074	\$ 137,673
Net pension liability	130,877	287,401	-	418,278	-
<b>Long-Term Liabilities</b>	<b>\$ 1,991,933</b>	<b>\$ 287,401</b>	<b>\$ 136,982</b>	<b>\$ 2,142,352</b>	<b>\$ 137,673</b>

#### Loans Payable

Loans payable at December 31, 2016 are comprised of the following:

*NDC New Markets Investments XXII, L.P.*

The Agency took over a Lower Tier Note in October 2015. Interest only payments are required on a quarterly basis. Principal repayments began April 1, 2015 (August 1, 2015 for Note C), along with the quarterly interest payments, with any unpaid principal and interest due upon maturity. The loan bears interest at rates ranging from .31 to 3.1% depending on maturity. At December 31, 2016 aggregate annual debt maturities, excluding interest, are as follows:

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 6. Long-Term Liabilities (Continued)

2017	\$ 25,000
2018	50,000
2019	50,000
2020	50,000
2021	50,000
2022-2026	500,000
2027	<u>175,000</u>
	<u>\$ 900,000</u>

#### *New York Power Authority ("NYPA")*

The terms of the loan provide for repayment over nine years in monthly installments of principal and interest. Interest is charged at .66%. The loan balance is carried by the New York Power Authority on the monthly energy bill for the City. The Agency pays the monthly installments of \$9,813 to the City for the application to the energy bill. At December 31, 2016 aggregate annual debt maturities, excluding interest, are as follows:

2017	\$ 112,673
2018	113,417
2019	114,166
2020	114,921
2021	115,680
2022-2024	<u>253,217</u>
	<u>\$ 824,074</u>

The NYPA loan and the Section 108 (Lower Tier-Note C) loan, in the amounts of \$982,736 and \$950,000, were transferred to the Agency as special obligations payable to the extent of and limited to sub license fees due from HCC Caterers, Inc.

### **Pension Plans**

#### *Employees' Retirement System*

The Agency and the Workforce Investment Board participate in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS.

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 6. Long-Term Liabilities (Continued)

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/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The ERS is noncontributory except for employees who joined after July 2, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. Contribution rates for the plan's year ending in 2017 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
4 A15	15.80%
5 A15	13.0
6 A15	9.2

At December 31, 2016, the Agency reported a liability of \$418,278 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of the contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2016, the Agency's proportion was .0026060%, which was a decrease of .0012681% from its proportion measured as of March 31, 2015.

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

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements  
December 31, 2016 and 2015

**6. Long-Term Liabilities (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,114	\$ 49,580
Changes of assumptions	111,542	-
Net difference between projected and actual earnings on pension plan investments	248,146	-
Changes in proportion and differences between Agency contributions and proportionate share of contributions	-	97,690
Agency contributions subsequent to the measurement date	<u>69,865</u>	<u>-</u>
	<u>\$ 431,667</u>	<u>\$ 147,270</u>

The amount of \$69,865 reported as deferred outflows of resources related to the ERS resulting from the Agency's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the ERS will be recognized in pension expense as follows for year ending March 31:

2017	\$ 50,802
2018	50,802
2019	50,802
2020	62,126

The total pension liability at March 31, 2016 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2015. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Inflation	2.50%
Salary scale	3.8%, indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

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

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 6. Long-Term Liabilities (Continued)

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

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standards of Practice ("ASOP") no. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 and 2015 are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Asset	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	100 %	

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

**City of Yonkers Industrial Development Agency**

Notes to Financial Statements  
December 31, 2016 and 2015

**6. Long-Term Liabilities (Continued)**

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

The components of the current year net pension liability of the ERS as of March 31, 2016, were as follows:

Total pension liability	\$ 172,303,544,000
ERS fiduciary net position	<u>156,253,265,000</u>
Employers' net pension liability	<u>\$ 16,050,279,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>90.7%</u>

**Other Post Employment Benefit Obligations**

The Agency does not provide healthcare benefits for retired employees.

**7. Operating Leases**

The Agency is obligated under a non-cancelable operating lease for a vehicle with a lease term of 35 months that expires in September 2017. The monthly payments are \$439. Future minimum lease payments for the year ending December 31, 2017 is \$3,514.

Lease expense included in operations under travel expenses was \$4,854 and \$5,232 for the years ended December 31, 2016 and 2015.

**8. Industrial Revenue Bonds and Notes and Straight-Lease Transactions**

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

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 9. Related Parties

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

The Yonkers Economic Development Corporation ("YEDC") was created in 2007 to provide certain taxable and tax exempt financial assistance on occasions where these incentives are no longer provided by the Agency or in instances where the Agency's ability to assist economic development projects has been significantly limited. YEDC's purpose of promoting the creation and preservation of employment opportunities is in line with the Agency's overall objectives and may deliver financial assistance in a more cost effective form through this federal exempt corporation under IRS Section 115. In addition, the debt issuances of YEDC will not be liabilities of the State of New York, the City or YIDA. YEDC is comprised of four of the seven YIDA board members. YEDC's CFO provided all financial support for YIDA in 2015. A management agreement was in place for YEDC's CFO to provide financial services to YIDA. YIDA paid YEDC \$70,000 in management fees under the management agreement and this was included in operations under consulting and professional fees for 2015. This agreement ended as of December 31, 2015. Therefore, no management fee was paid during the year ended December 31, 2016.

### 10. Contingencies

#### ***Litigation***

The Agency is involved in litigation arising in the normal course of business. Management estimates that the matters will be resolved without material adverse effects on the Agency's future financial position or results from operations.

#### ***Austin Avenue***

In 1979, the City entered into a Consent Order with the New York State Department of Environmental Conservation ("NYSDEC") to remediate the Austin Avenue landfill site located in the City. All physical work required by NYSDEC in the approved Remedial Action Plan has been completed as of December 31, 2016. The NYSDEC has issued a certificate of completion for the site. As of December 31, 2016 and 2015, all bills relating to this work were paid and the Agency's dedicated account for the Austin Avenue remediation held a balance of \$13,722 to pay any final legal bills, insurance costs and NYSDEC fees.

#### ***Kubasek and Post Road Housing Projects***

YIDA supported two projects that resulted in the purchase and renovation of existing affordable housing stock - one family facility (Post Road) and one senior project (Kubasek).

## City of Yonkers Industrial Development Agency

Notes to Financial Statements  
December 31, 2016 and 2015

### 10. Contingencies (Continued)

YIDA has established replacement reserve accounts for capital improvements at both locations at a bank. These dedicated accounts closed with the following balances on December 31, 2016: \$70,387 on behalf of Post Road (the "Post Reserve") and \$163,914 on behalf of Kubasek (the "Kubasek Reserve") with the balance of \$140,674 being held in a separate account on behalf of Post Road and Kubasek (the "Agency Reserve Account").

The Austin Avenue and Kubasek and Post Road housing projects consist of the balance due to other entities in the amount of \$388,696. The details of the restricted cash related to these projects are disclosed in Note 4.

### 11. Donated Rent and Rent Expense

The financial statements include revenue and corresponding expenses for donated rent for office space occupied by YIDA. Donated rent at December 31, 2016 and 2015, has been recorded at the estimated fair value of \$41,858 and \$117,303 for the office location at 470 Nepperhan Avenue.

The rent expense also includes six months of rent at \$5,767 per month, as well as utilities expense of \$13,165. The use and occupancy agreement expired on December 31, 2016 and YIDA is in the process of negotiating a new contract.

### 12. Yonkers Pier Development, Inc. and Subsidiary ("Corporation") Dissolution

The Corporation signed Articles of Dissolution of the Yonkers Pier QALICB, LLC on May 31, 2015. The dissolution was authorized by the sole Member and was effective upon filing the Articles with the Secretary of the State. All other assets and liabilities of the Corporation were transferred to the Agency on October 26, 2015. The transfer to the Agency is itemized as follows:

Cash and equivalents	\$ 133,725
Accounts receivable	207,500
Leasehold improvements	11,014,025
Accumulated Depreciation	(4,589,176)
Accounts payable	(13,000)
Loans payable	<u>(1,932,736)</u>
Total transfer from the Corporation	<u>\$ 4,820,338</u>

The accounts receivable and accounts payable consist entirely of the sub license fees due from HCC Caterers, Inc. and audit fees. The NYPA loan and the Section 108 (Lower Tier – Note C) loan, in the amount of \$982,736 and \$950,000, were transferred to the Agency as special obligations payable to the extent of and limited to sub license fees due from HCC Caterers, Inc. The Corporation's other lower tier loans are considered forgiven.

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

Notes to Financial Statements  
December 31, 2016 and 2015

### **13. Risk Management**

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

### **14. Workforce Investment Board**

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

\*\*\*\*\*

**City of Yonkers Industrial Development Agency**

Required Supplementary Information

December 31, 2016

**City of Yonkers Industrial Development Agency**

Required Supplementary Information - Schedule of the  
Agency's Proportionate Share of the Net Pension Liability  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)

	<u>2016 (2)</u>	<u>2015</u>
Agency's proportion of the net pension liability (asset)	<u>0.0026060%</u>	<u>0.0038741%</u>
Agency's proportionate share of the net pension liability (asset)	<u>\$ 418,278</u>	<u>\$ 130,877</u>
Agency's covered payroll	<u>\$ 701,732</u>	<u>\$ 681,322</u>
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>59.61%</u>	<u>19.21%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>90.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

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

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

See independent auditors' report

**City of Yonkers Industrial Development Agency**

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

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

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

See independent auditors' report

# **City of Yonkers Industrial Development Agency**

Supplementary Information

December 31, 2016

**City of Yonkers Industrial Development Agency**

Supplementary Information  
 Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired  
 December 31, 2016

Project	Date of Issue	Original Issue Value	Outstanding Balance at January 1, 2016	New Issues	Payments	Outstanding Balance at December 31, 2016
Consumer Union	December 2005	\$ 47,300,000	\$ 41,250,000	\$ -	\$ 1,350,000	\$ 39,900,000
St. Joseph's Medical Center	March 1998	28,500,000	3,600,000	-	600,000	3,000,000
Hudson Scenic Studios, Inc.	June 1999	4,130,000	1,970,000	-	445,000	1,525,000
Philipsburgh Hall Associates, L.P.	December 1999	2,800,000	1,325,000	-	50,000	1,275,000
St. John's Riverside - 2001 A	March 2001	16,690,000	14,555,000	-	520,000	14,035,000
St. John's Riverside - 2001 B	March 2001	6,235,000	5,435,000	-	195,000	5,240,000
Monastery Manor Association, L.P.	September 2005	9,020,000	8,075,000	-	215,000	7,860,000
Sacred Heart A	September 2006	7,475,000	6,455,000	-	370,000	6,085,000
Sacred Heart B	September 2006	1,900,000	200,000	-	-	200,000
Center of Family Services	January 2008	1,235,000	560,000	-	55,000	505,000
Jefferson Terrace - 2006 A	December 2006	3,600,000	3,389,930	-	35,445	3,354,485
Whitney Young - 2006 B	December 2006	17,155,000	13,425,000	-	315,000	13,110,000
JME Associates	June 2006	8,160,000	5,140,000	-	5,140,000	-
Salgra Realty	June 2006	3,840,000	2,595,000	-	2,595,000	-
Herriot Street Housing L.P. Project	March 2004	16,400,000	11,520,000	-	295,000	11,225,000
Main Street Lofts	December 2005	44,600,000	44,600,000	-	-	44,600,000
Sarah Lawrence College, Series A	May 2004	43,500,000	42,825,000	-	730,000	42,095,000
Sarah Lawrence College, Series B	May 2004	1,950,000	1,950,000	-	-	1,950,000
<b>Total Indebtedness</b>		<u>\$ 264,490,000</u>	<u>\$ 208,869,930</u>	<u>\$ -</u>	<u>\$ 12,910,445</u>	<u>\$ 195,959,485</u>

**City of Yonkers Industrial Development Agency**

Supplementary Information  
Schedule of Straight-Lease Transactions Executed in 2016  
December 31, 2016

Project	Project Address	Owner Address	Approximate Cost	Benefit (Sales Tax)	Benefit (Mortgage Tax)	Jobs at Location	Jobs to be Created	Jobs to be Retained
<b>STRAIGHT LEASE TRANSACTIONS</b>								
Thethi Realty	460 Nepperhan Avenue Yonkers, NY 10701	470 Nepperhan Avenue, Yonkers, NY 10701	\$ 3,000,000	\$ 88,750	\$ 18,000	-	3	2
Lowe's	NEQ Interstate 87 and Tuckahoe Road, Yonkers NY	1605 Curtis Bridge Road, Wilksboro NC 28697	23,073,135	1,128,695	-	-	90	90
Nepperhan Farms	1233 Nepperhan Avenue, Yonkers NY 10703	1233 Nepperhan Avenue, Yonkers NY 10703	2,500,000	168,625	-	-	90	TBD
Morris Builders	Austin Avenue and Stew Leonard Drive	350 Veteran's Blvd. Rutherford, NJ 07070	31,000,000	1,775,000	1,260,000	-	560	TBD
Cintas	325 Corporate Blvd. Yonkers, NY	6800 Cintas Blvd. PO Box 625737, Cincinnati, OH 45262	27,100,000	720,000	-	-	78	82
Leggiadro	65 Main Street Yonkers, NY	8 West 36th St, 9th Floor New York, NY 10018	2,200,000	48,575	20,700	2	10	2
1175 Warburton	1171-1183 Warburton Avenue	100 Summit Lake Drive	20,732,165	322,961	288,000	-	2	2
RXR/Rising	Downtown Yonkers full square	945 Summit Avenue Bronx,	197,414,000	4,731,213	2,285,835	-	187	TBD
<b>REFINANCINGS</b>								
Instock	630 Central Park Avenue Yonkers, NY	630 Central Park Avenue Yonkers, NY	2,240,000	N/A	N/A	-	40	40
406 Walnut Street	406 Walnut Street Yonkers, NY	1735 Park Avenue 3rd Fl New York, NY 10035	5,850,000	N/A	N/A	5	-	5
45-51 Post Street	45/51 Post Street Yonkers, NY	1735 Park Avenue 3rd Fl New York, NY 10035	1,725,000	N/A	N/A	1	-	1
Grant Park II	1 & 5 Whetstone Avenue Yonkers, NY 10703	340 Pemberwick Road Greenwich, CT 06831	N/A	N/A	N/A	-	1	-
Sarah Lawrence College	1 Mead Way Bronxville, NY 10708	1 Mead Way Bronxville, NY 10708	N/A	N/A	N/A	306	-	N/A
Westchester ALP	78 Stratton Street South Yonkers, NY 10701	78 Stratton Street South Yonkers, NY 10701	2,726,500	N/A	N/A	-	75	-
<b>SALES TAX EXTENSIONS</b>								
SDC Realty - Boyce Thompson	1086 North Broadway Yonkers, NY 10701	1250 Waters Place Bronx, NY 10461	1,567,563	Time Extension Approved		-	255	-
Norwich	5 Executive Blvd. Yonkers, NY 10701	7300 West 110th Street Overland Park, KS 66210	710,000	Time Extension Approved		-	50	-

(Continued)

**City of Yonkers Industrial Development Agency**

Supplementary Information  
Schedule of Straight-Lease Transactions Executed in 2016 (Concluded)  
December 31, 2016

Project	Project Address	Owner Address	Approximate Cost	Benefit (Sales Tax)	Benefit (Mortgage Tax)	Jobs at Location	Jobs to be Created	Jobs to be Retained
<b>SALES TAX EXTENSIONS (Continued)</b>								
Lowe's	NEQ Interstate 87 and Tuckahoe Road, Yonkers NY	1605 Curtis Bridge Road, Wilksboro NC 28697	\$ 1,128,695	Time Extension Approved	\$ -	-	90	90
1175 Warburton Ave	1171-1183 Warburton Avenue Yonkers, NY	100 Summit Lake Drive Valhalla, NY	443,750	Time Extension Approved	-	-	2	2
Cross County Shopping	Cross County Shopping Center	708 Third Avenue 28th Floor New York, NY 10017	11,940,979	Time Extension Approved	-	2,596	2,737	68
Leggiadro (Sussantacinque)	65 Main Street Yonkers, NY	8 West 36th St, 9th Floor New York, NY 10018	39,938	Time Extension Approved	-	2	10	2
Oz Moving & Storage	65 Main Street Yonkers, NY	8 West 36th St, 9th Floor New York, NY 10018	26,800	Time Extension Approved	-	-	150	-
Ridge Hill	1 Ridgehill Yonkers, NY	1 Metro Tech North Brooklyn, NY 11201	14,633,000	Time Extension Approved	-	1,621	1,912	455
Rising Development	2 Mill Street, 13, 27, 36, 38 Main Street Yonkers, NY 10701	3261 Broadway New York, NY 10027	184,250	Time Extension Approved	-	-	134	-
River Tides	1105-1135 Warburton Avenue Yonkers, NY 10701	100 Summit Lake Drive Valhalla, NY	1,635,800	Time Extension Approved	-	-	10	-
The Plant Manor	1097 North Broadway Yonkers, NY 10701	31 West 11th Street Ste 8A NYC 10011	167,500	Time Extension Approved	-	2	2	-
Nepperhan Farms	1233 Nepperhan Avenue, Yonkers NY 10703	1233 Nepperhan Avenue, Yonkers NY 10703	168,625	Time Extension Approved	-	-	90	TBD
Thethi - 460 Nepperhan	460 Nepperhan Avenue Yonkers, NY 10701	470 Nepperhan Avenue, Yonkers, NY 10701	88,750	Time Extension Approved	-	-	3	2
CCNA Realty (470 Nepp)	470 Nepperhan Avenue, Yonkers, NY 10701	165 Wyndcliff Road Scarsdale, NY 10583	335,000	Time Extension Approved	-	TBD	TBD	TBD
SFC Water Grant Street	Water Grant Street Yonkers, NY 10701	6701 Democracy Blvd, Ste 500 Bethesda, MD 20817	5,000,000	Time Extension Approved	-	100	5,432	100

**City of Yonkers Industrial Development Agency**

Supplementary Information  
 Schedule of Payments in Lieu of Taxes  
 December 31, 2016

Project	Total	City	County
104 Ashburton Ave - Greyston Bakery, Inc.	\$ 25,000	\$ 21,510	\$ 3,490
11-23 St. Casmir Avenue	20,000	17,302	2,698
326 Riverdale	119,405	103,858	15,547
86 Main Street	200,000	173,960	26,040
555 Storage	203,948	177,394	26,554
188 Warburton	10,000	8,698	1,302
Animal Specialty Center	149,544	130,069	19,476
Ashburton Avenue, LP	53,083	46,172	6,911
Brooks Shopping Center, LLC	4,000,000	3,460,400	539,600
Cahokia	6,510	5,662	848
CCNA	49,350	42,925	6,425
Collins I - Hudson Park Investors	1,200,000	1,032,480	167,520
Collins II	1,450,000	1,261,210	188,790
Collins III- Yonkers Waterfront	118,615	103,171	15,444
Consumers Union A and B	214,157	214,157	N/A
Cromwell Towers	204,550	177,918	26,632
Croton Heights	65,000	56,537	8,463
Fast Linen	66,506	57,847	8,659
FC Yonkers (Ridge Hill)	4,874,155	4,218,611	655,544
FSG Yonkers LLC	544,112	473,250	70,862
Grant Park II	35,000	30,443	4,557
Herriot Street(Jackson Terrace) (Min.+Shelter Rent %)	83,774	72,079	11,695
Highland Senior Housing	150,000	130,470	19,530
Historic (Warburton Wells)	24,900	21,658	3,242
InStock Cabinets	126,163	109,737	16,426
Jefferson Terrace - Shelter Rent	102,325	88,040	14,285
Kimber Manufacturing	103,460	89,990	13,470
Kubasek Owners LLC	175,757	151,221	24,536
L&A Adira	302,414	263,039	39,374
Macys	825,861	718,334	107,527
Main Street Lofts	425,000	367,834	57,166
Millcreek	124,739	108,498	16,241
Monastery Manor:(Min.+Shelter Rent %)	67,047	57,687	9,360
Mulford I, LP	2,000	1,740	260
OZ Moving & Storage	43,175	37,554	5,621
Parkledge Apartments	369,844	319,952	49,892

(Continued)

See independent auditors' report

**City of Yonkers Industrial Development Agency**

Supplementary Information  
 Schedule of Payments in Lieu of Taxes (Concluded)  
 December 31, 2016

Project	Total	City	County
Philipsburgh Hall Associates	\$ 32,000	\$ 27,834	\$ 4,166
Post Street	66,330	57,691	8,638
RiverTides	76,780	66,783	9,997
Riverview II Preservation LP	266,022	231,386	34,636
Rising	30,837	26,822	4,015
Sacred Heart (Min.+Shelter Rent %)	50,165	43,162	7,003
St. Casimirs, LP	78,786	68,528	10,258
Shreebalajee	50,349	43,794	6,555
SUMA Federal Credit Union	121,924	104,400	17,523
The Plant Manor/Alder Manor	75,000	65,235	9,765
Vicky Inc.	17,835	15,513	2,322
Warburton Riverview Owners LLC	45,000	39,141	5,854
Westchester ALP 1	40,800	35,488	5,312
Westchester ALP 2	9,200	8,002	1,198
Whitney Young	126,677	110,184	16,493
Woodstock: (Min.+Shelter Rent %)	32,845	28,542	4,303
Yonkers Lodging Partners, LLC	499,386	434,366	65,020
Yonkers Racing Corporation	4,552,429	3,959,703	592,726

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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Yonkers Industrial Development Agency ("Agency") which comprise the statement of net position as of December 31, 2016 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

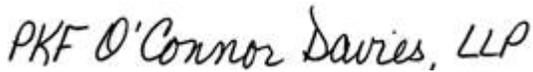
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**PKF O'Connor Davies, LLP**  
Harrison, New York  
March 28, 2017