

**County of Westchester
Industrial Development Agency**

(A Component Unit of the
County of Westchester, New York)

Financial Statements
and Supplemental Information

Years Ended December 31, 2013 and 2012

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

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Independent Auditors' Report

**The Board of Directors of the
County of Westchester Industrial Development Agency
(a component unit of the County of Westchester, New York)**

Report on the Financial Statements

We have audited the accompanying statements of net position of the County of Westchester Industrial Development Agency (the "Agency") (a component unit of the County of Westchester, New York) as of December 31, 2013 and 2012, 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 opinions 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of December 31, 2013 and 2012 and the respective changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

O'CONNOR DAVIES, LLP

500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.odpkf.com

Other Matters

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 basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements. The schedules of indebtedness, straight-lease transactions executed in 2013 and payments in lieu of taxes are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedules of indebtedness, straight-lease transactions executed in 2013 and payments in lieu of taxes are the responsibility of management. Such information has not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2014 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 the 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.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated March 25, 2014 on our consideration of the Agency's compliance with Section 2925(3)(1) of the New York State Public Authorities Law ("Law"). The purpose of that report is to describe the scope and results of our tests of compliance with the Law.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
March 25, 2014

**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**

**The Board of Directors of the
County of Westchester Industrial Development Agency
(a component unit of the County of Westchester, New York)**

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 County of Westchester Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 25, 2014.

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 opinions 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 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 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 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.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

March 25, 2014

**County of Westchester
Industrial Development Agency**

Management's Discussion and Analysis (MD&A)
December 31, 2013

Compliance and Accountability

Since the County of Westchester Industrial Development Agency ("Agency") was formed in 1977, the Agency's management was under the direction of the seven appointed members of the Board. Its by-laws required that Westchester County's Commissioner of Finance serve as the Treasurer of the Agency. Following the passage of the 2005 Public Authority Accountability Act (PAAA), the Agency adopted new by-laws, policies and procedures consistent with PAAA.

As a result, the Agency has established its own financial systems separate from those of Westchester County. To insure compliance with municipal best practices, the by-laws establish the position of Comptroller as its chief financial officer responsible for financial management, compliance and good practices, establishing internal controls, as well as investment of funds consistent with its investment policy; and reporting to the Treasurer (an elected board member).

The Executive Director serves as compliance officer. The Compliance Officer is responsible for insuring that the Agency complies with all financial and other reporting requirements imposed by structure, including those requirements in General Municipal Law and the PAAA. [see Agency bylaws and policies at www.westchestergov.com/ida]. Further the Executive Director is responsible for providing the Agency and its Committee with detailed budget information prior to adoption of the annual budget.

The Treasurer oversees the Comptroller. An Audit Committee of four Board members including the Treasurer is responsible for the appointment, compensation and oversight of the audit process. The Audit Committee offers its recommendations to the full Agency for action and/or adoption.

Financial Highlights

Change in Net Position

The change in net position of (\$305,808) for 2013 was more than the 2012 change in net position of (\$89,250) by \$216,558. This \$216,558 decrease is primarily due to the net decrease in closing fees, application and administrative fees, and other contractual fees of \$224,435, a decrease in interest income of \$5,339 and a decrease in rental fees of \$10,000, partially offset by a decrease in other operating expenses of \$23,216.

Liquidity

Cash and equivalents decreased by \$359,960 in 2013. The overall decrease in cash and equivalents is due to the 2013 cash payments for contracted services amounting to \$135,000, payments for personal services and fringe benefits of \$410,914 as well as other administrative costs of \$375,763, partially offset by receipts from customers of \$543,550, receipts from rental activities of \$10,000 and interest of \$8,667. The County of Westchester Industrial Development Agency has sufficient cash and equivalents to fund future operating needs.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to James Coleman, Executive Director, County of Westchester, Industrial Development Agency, 148 Martine Avenue, White Plains, New York 10601.

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Comparative Statements of Net Position
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and equivalents	\$ 3,917,325	\$ 4,277,285
Accounts receivable	174,566	140,341
Prepaid expenses	<u>7,000</u>	<u>-</u>
Total Current Assets	4,098,891	4,417,626
Assets held for others	1,509,885	1,506,004
Capital assets		
Land	<u>1,100,000</u>	<u>1,100,000</u>
Total Assets	<u>6,708,776</u>	<u>7,023,630</u>
LIABILITIES		
Accounts payable	47,887	39,836
Due to other governments	<u>244,346</u>	<u>265,324</u>
Total Current Liabilities	292,233	305,160
Custodial funds	<u>1,509,885</u>	<u>1,506,004</u>
Total Liabilities	<u>1,802,118</u>	<u>1,811,164</u>
NET POSITION		
Net investment in capital assets	1,100,000	1,100,000
Unrestricted	<u>3,806,658</u>	<u>4,112,466</u>
	<u>\$ 4,906,658</u>	<u>\$ 5,212,466</u>

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Comparative Statements of Activities
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
OPERATING REVENUES		
Charges for services		
Closing fees	\$ 577,655	\$ 801,946
Application and administrative fees	9,100	6,901
Other contractual fees	1,020	3,363
	<u>587,775</u>	<u>812,210</u>
OPERATING EXPENSES		
Personal services	261,698	255,402
Fringe benefits	151,994	141,836
Professional fees	72,300	75,530
Office	112,905	84,070
Travel	1,250	3,750
Contracted services	135,500	108,000
Advertising	138,828	228,388
Membership dues	27,775	22,725
Bad debts	-	5,765
	<u>902,250</u>	<u>925,466</u>
Total Operating Expenses		
	<u>(314,475)</u>	<u>(113,256)</u>
Loss from Operations		
NON-OPERATING REVENUES		
Rental fees	-	10,000
Interest income	8,667	14,006
	<u>8,667</u>	<u>24,006</u>
Total Non-Operating Revenues		
	<u>(305,808)</u>	<u>(89,250)</u>
Change in Net Position		
Net Position - Beginning of Year	<u>5,212,466</u>	<u>5,301,716</u>
Net Position - End of Year	<u>\$ 4,906,658</u>	<u>\$ 5,212,466</u>

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Comparative Statements of Cash Flows
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from charges for services	\$ 543,550	\$ 782,516
Cash paid to contracted services	(135,500)	(108,000)
Cash paid for personal services and for fringe benefits	(410,914)	(503,355)
Cash paid for administrative costs	<u>(375,763)</u>	<u>(395,816)</u>
Net Cash from Operating Activities	<u>(378,627)</u>	<u>(224,655)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from rental activities	10,000	10,000
Interest income	<u>8,667</u>	<u>14,006</u>
Net Cash from Investing Activities	<u>18,667</u>	<u>24,006</u>
Net Change in Cash and Equivalents	(359,960)	(200,649)
Cash and Equivalents - Beginning of Year	<u>4,277,285</u>	<u>4,477,934</u>
Cash and Equivalents - End of Year	<u><u>\$ 3,917,325</u></u>	<u><u>\$ 4,277,285</u></u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (314,475)	\$ (113,256)
Adjustments to reconcile loss from operations to net cash from operation activities		
Bad debt expense	-	5,765
Changes in operating assets and liabilities		
Accounts receivable	(44,225)	(29,694)
Prepaid expenses	(7,000)	-
Assets held for others	(3,881)	(4,839)
Accounts payable	8,051	9,411
Due to other governments	(20,978)	(96,881)
Custodial funds	<u>3,881</u>	<u>4,839</u>
Net Cash from Operating Activities	<u><u>\$ (378,627)</u></u>	<u><u>\$ (224,655)</u></u>

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements

Note 1 - Organization

The County of Westchester Industrial Development Agency (the "Agency") was created in 1977 by the New York State Legislature under the provisions of Chapter 788 for the purpose of encouraging economic growth in the County of Westchester (the "County"). The Agency is exempt from Federal, State and local income taxes. The Agency, although established by the State, is a separate entity and operates independently of the County. The governing board consists of seven members appointed by the County Executive with confirmation by the Board of Legislators.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Agency has been identified as a component unit of the County. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, the Agency's financial statements have been discretely presented in the County's financial statements.

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 applies all applicable Financial Accounting Standards Board ("FASB") guidance issued after November 30, 1989 in its accounting and reporting.

Cash and Equivalents

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with maturities of three months or less at the time of purchase. Collateral is required for these deposits at 102% of all deposits not covered by Federal deposit insurance. The Agency has entered into custodial agreements with the depositories which hold their deposits. These agreements authorize 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.

Assets Held for Others

Assets held for others consist of funds being held in escrow.

Land

Land was contributed to the Agency by the City of Yonkers, City of New York and the County to effectively and economically develop the Austin Avenue Office Park located in Yonkers, New York. The land is recorded at fair market value (\$1,100,000) as of the date received. The parcel of land is leased to the developer of the Austin Avenue Park, Morris Industrial Builders, under a long-term developmental lease. The lease expires in the year 2045, with two subsequent renewal options for 30 additional years, each. For the term of the lease, the Agency will be the owner of the premises and the landlord.

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use. Net position on the statement of net position includes the net investment in capital assets and the balance is classified as unrestricted.

Due to Other Governments

During the course of its operations, the IDA collects and remits funds to other governments. To the extent that certain transactions between other governments have not been paid as of December 31, these amounts have been recorded in the financial statements.

Application of an Accounting Standard

For the year ended December 31, 2013, the County of Westchester Industrial Development Agency implemented GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". This statement establishes accounting and financial reporting standards that reclassify as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities. As of December 31, 2013, no items were reported as either deferred inflows or outflows of resources.

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 and liabilities 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 these 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 25, 2014.

Note 3 - 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 such 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 upon consultation with legal counsel, the ultimate resolution of such litigation matters should not result in any liability to the Agency.

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements (Continued)

Note 3 - Litigation (Continued)

Austin Avenue Project Rent Dispute

Pursuant to a certain Five Party Agreement among the Agency, the County of Westchester (“County”), the City of Yonkers (“Yonkers”), the City of Yonkers Industrial Development Agency and Morris Industrial Builders, dated October 24, 1985, the Agency receives certain rent from Morris and distributes it to the County and/or Yonkers. The Agency, the County and Yonkers are in disagreement as to the proper division of the rent under the Five Party Agreement. It is the position of the Agency and the County that all rent is payable to the County until September 2006, after which date the rent is to be divided approximately 2/3rd to the County and 1/3rd to Yonkers. It is the position of Yonkers that the foregoing division of the rent was to begin on or about September 1999. During the period from September 1999 through September 2006 the Agency had received rent in the amount of \$81,250 per month. In the opinion of management there is no disagreement regarding the distribution of the rent commencing September 2006, therefore the Agency paid to Yonkers on or about April 3, 2009, 1/3rd of the rent received from Morris for the period September 2006 through March 31, 2009. Subsequent to March 2009 Yonkers has been receiving 1/3rd of the monthly rent. To determine the proper distribution of the rent for the period prior to September 2006, the Agency commenced an action in the nature of an interpleader or declaratory judgment against the County and Yonkers in the Supreme Court of the State of New York, County of Westchester. In the event that the position of Yonkers were to prevail, it is likely that the Agency would assert a claim against the County to return the excess rent previously paid to the County. The parties have engaged in settlement negotiations, and a proposed settlement is pending under which the Agency would incur no payment obligation. However, the proposed settlement will not be effective unless and until it is approved by Yonkers and the County, which will require action by the County Board of Legislators. Such approval had not been granted as of the report date of the Agency’s financials.

Note 4 - Due to Other Governments

Due to other governments as of December 31:

	<u>2013</u>	<u>2012</u>
Mortgage tax benefit recapture	\$ 124,937	\$ 124,938
Operating costs - Due to County	<u>119,409</u>	<u>140,386</u>
	<u>\$ 244,346</u>	<u>\$ 265,324</u>

Note 5 - Assets Held for Others and Custodial Funds

On June 23, 2011 the Agency entered into an escrow agreement with a former PILOT participant (“the Company”) and certain defined municipalities of Westchester County. As part of this escrow agreement the Agency, as escrow agent, received \$1.5 million to maintain and invest for a period of 15 years. The Company has agreed to these funds being maintained in a separate money market account secured at 102% with US Treasuries. This balance is reflected in the financial statements of the Agency as both an asset and liability. Investment earnings and income on the escrow shall become part of the escrow property to be disbursed in accordance with the escrow agreement. If the escrow balance falls below \$1.5

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements (Continued)

Note 5 - Assets Held for Others and Custodial Funds (Continued)

million during any time prior to the end of escrow period for reasons specified in the escrow agreement, a replenishment to restore the escrow balance to the initial \$1.5 million is required by the Company. Upon the expiration of the escrow period, the Agency shall distribute, as promptly as practicable, any remaining escrow property to the Company.

Note 6 - Revenue Bonds, Notes, Straight-Lease Transactions and Grants

Certain revenue bonds and notes issued by the Agency are secured by property, which is leased to companies. The bonds and notes are not obligations of the Agency or the State. 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.

In exchange for providing this service, the Agency receives closing fees from the borrowing companies. The fee received by the Agency is one percent for the first \$10 million and one quarter of one percent of the amount over \$10 million for for-profit corporations. In addition, the Agency receives closing fees for straight lease transactions of five percent of the expected savings of mortgage recording, sales and use taxes. Such administrative fee income is recognized immediately upon issuance of bonds and notes or closing on leases.

The Agency acts as a pass-through conduit for certain grants issued by New York State ("NYS"). The grant funds are reflected as revenues when received from NYS and expenses when distributed to the grantee.

Note 7 - Rental Revenue Under Operating Leases

The Austin Avenue Park lease provides for periodic lease escalations based upon increases defined in the Amended Agreement of May, 2007. The escalations are enacted at the 20th, 25th, 30th, 35th, 45th and 55th anniversary of the lease. During each of the years ended December 31, 2013 and 2012, the Agency received \$1,056,956 of rental income under the aforementioned lease arrangement. The Agency must remit all rental receipts from the aforementioned lease to the County of Westchester and City of Yonkers in accordance with terms of the distribution agreement currently in place. Accordingly, amounts paid to the County and the City of Yonkers for each year have been netted against rental receipts in the accompanying Statement of Activities.

Future minimum lease income to be received pursuant to the Austin Avenue Park land discussed in Note 2 are as follows:

2014	\$	1,056,956
2015		1,077,463
2016		1,180,000
2017		1,180,000
2018		1,180,000
Thereafter		40,797,400
	\$	<u>46,471,819</u>

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements (Concluded)

Note 8 - Related Party Transaction

During 2013 and 2012 the Agency and the County entered into an agreement for personnel, space, supplies and equipment of the County commencing on January 1 and ending on December 31. The parties currently intend to enter into annual renewals on financial terms to be negotiated each year, as approved by the members of the Agency and by the Westchester County Board of Acquisition.

The following administrative service amounts were charged by the County to the Agency for the years ended December 31:

	<u>2013</u>	<u>2012</u>
Personal services and Fringe Benefits	\$ 413,692	\$ 397,238
Space, supplies, equipment and other administrative expenses	<u>68,415</u>	<u>89,173</u>
Total	<u>\$ 482,107</u>	<u>\$ 486,411</u>
Year end balance due to the County	<u>\$ 119,409</u>	<u>\$ 140,386</u>

SUPPLEMENTAL INFORMATION

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplemental Information
Schedule of Indebtedness - Bonds and Notes Issued, Outstanding or Retired
December 31, 2013

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2013	New Issues	Payments	Outstanding Balance at December 31, 2013	Project Address
American Red Cross	1992	\$ 1,600,000	\$ 880,000	\$ -	\$ 65,000	\$ 815,000	106 North Broadway White Plains, NY 10603
Airport Parking Associates - Series A (Redeemed 2013)	1994	14,455,000	10,235,000	-	10,235,000	-	115 Stevens Avenue Valhalla, NY 10580
Airport Parking Associates - Series B (Redeemed 2013)	1994	3,535,000	2,310,000	-	2,310,000	-	115 Stevens Avenue Valhalla, NY 10580
Andrus Memorial Julia Dyckman	1996	5,840,000	1,870,000	-	425,000	1,445,000	1156 North Broadway Yonkers, NY 10701
Hendrick Hudson Free Library	1996	2,300,000	1,311,538	-	104,913	1,206,625	185 Kings Ferry Road Montrose, NY 10548
BWP Distributors (Redeemed 2013)	1997	7,420,000	3,000,000	-	3,000,000	-	215 Business Park Drive Armonk, NY 10504
Boys and Girls Club of Northern Westchester	1998	7,000,000	3,540,000	-	230,000	3,310,000	351 Main Street Mt. Kisco, NY 10549
Lawrence Hospital - Series A	1998	8,095,000	4,380,000	-	640,000	3,740,000	55 Palmer Avenue Bronxville, NY 10708
Lawrence Hospital - Series B	1998	10,810,000	8,870,000	-	375,000	8,495,000	55 Palmer Avenue Bronxville, NY 10708
Westchester Jewish Community Services	1998	3,450,000	1,415,000	-	90,000	1,325,000	Cedar Knolls School Hawthorne, NY 10532
Music Conservatory of Westchester	1999	4,500,000	3,090,000	-	95,000	2,995,000	216 Central Avenue White Plains, NY 10606
Jacob Burns	2000	4,500,000	3,420,000	-	130,000	3,290,000	39 Washington Avenue Pleasantville, NY 10570
Panorama Flight Services (Redeemed 2013)	2000	5,260,000	3,700,000	-	3,700,000	-	67 Tower Road White Plains, NY 10604
Windward School (Redeemed 2013)	2001	20,000,000	15,840,000	-	15,840,000	-	5 Winward Avenue White Plains, NY 10605
Community Housing Innovations	2001	4,860,000	3,585,000	-	165,000	3,420,000	Various - Mount Vernon, New Rochelle, Yonkers
Levister Redevelopment	2001	34,000,000	24,624,080	-	541,051	24,083,029	1 Eastchester Lane Mount Vernon, NY 10550
Living Independently for the Elderly (Redeemed 2013)	2001	10,525,000	8,815,000	-	8,815,000	-	62 Springvale Road Croton-on-Hudson, NY 10520
Catharine Fieldhome	2001	16,645,000	13,620,000	-	1,030,000	12,590,000	2300 Catherine Street Cortlandt Manor, NY 10567
SUNY Purchase (Redeemed 2013)	2002	19,885,000	16,235,000	-	16,235,000	-	735 Anderson Hill Road Purchase, NY 10577
Ardsley Housing, LLC	2002	7,195,000	5,160,000	-	50,000	5,110,000	Silvia Avenue Ardsley, NY 10502

See Independent Auditors' Report

<u>Owner</u>	<u>Owner Address</u>	<u>Project Purpose Code</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Federal Tax Status</u>
American Red Cross	Same as project address	Services	Variable Rate Demand Obligation	5/1/2022	Tax Exempt
Cappelli Enterprises	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Yields from 5.10% to 5.95%	8/1/2024	Tax Exempt
Cappelli Enterprises	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Yields from 5.10% to 5.95%	8/1/2024	Tax Exempt
Julia Dyckman Memorial	Same as project address	Other	Variable Rate Demand Obligation	4/1/2016	Tax Exempt
Hendrick Hudson Free Library	Same as project address	Other	Variable Rate Demand Obligation	3/1/2021	Tax Exempt
BWP Distributors	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Variable Rate Demand Obligation	10/1/2028	Taxable
Boys and Girls Club	Same as project address	Services	Variable Rate Demand Obligation	2/1/2024	Tax Exempt
Lawrence Hospital	Same as project address	Services	Yields from 4.3% to 5.3%	1/1/2018	Tax Exempt
Lawrence Hospital	Same as project address	Services	Yields from 4.3% to 5.3%	1/1/2028	Tax Exempt
Westchester Jewish Community Services	120 West 57th Street New York, NY 10019	Other	6.95%	12/15/2012	Tax Exempt
Music Conservatory	Same as project address	Other	Variable Rate Demand Obligation	7/1/2029	Tax Exempt
Jacob Burns Center	Same as project address	Services	Variable Rate Demand Obligation	7/1/2030	Tax Exempt
Panorama Flight Services	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Variable Rate Demand Obligation	12/1/2025	Tax Exempt
Windward School	Same as project address	Other	Yields from 2.53% to 5.31%	10/1/2031	Tax Exempt
Community Housing Innovations	190 East Post Road - STE. 401 White Plains, NY 10601	Construction	Variable Rate Demand Obligation	8/1/2026	Tax Exempt
All County Management	31-10 37th Avenue, Suite 500 Long Island City, NY 11101	Construction	Variable Rate Demand Obligation	8/1/2033	Tax Exempt
Bethel Springvale Inn	Same as project address	Construction	4.00%	8/1/2032	Tax Exempt
Catherine Fieldhome	Same as project address	Construction	Variable Rate Demand Obligation	1/1/2031	Tax Exempt
SUNY Purchase	Same as project address	Construction	Yields from 3.10% to 5.35%	12/1/2034	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt

(Continued)

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplemental Information
Schedule of Indebtedness - Bonds and Notes Issued, Outstanding or Retired (Continued)
December 31, 2013

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2013	New Issues	Payments	Outstanding Balance at December 31, 2013	Project Address
Ardsey Housing, LLC	2002	3,145,000	3,025,000	-	20,000	3,005,000	Silvia Avenue Ardsey, NY 10502
Ardsey Housing, LLC	2002	6,330,000	6,075,000	-	45,000	6,030,000	Silvia Avenue Ardsey, NY 10502
Ardsey Housing, LLC	2002	3,590,000	3,450,000	-	25,000	3,425,000	Silvia Avenue Ardsey, NY 10502
Ardsey Housing, LLC	2002	8,470,000	8,130,000	-	60,000	8,070,000	Silvia Avenue Ardsey, NY 10502
The Masters School (Redeemed 2013)	2002	17,650,000	14,070,000	-	14,070,000	-	49 Clinton Avenue Dobbs Ferry, NY 10522
Hackley School	2003	16,000,000	6,000,000	-	1,255,000	4,745,000	293 Beekman Avenue Tarrytown, NY 10591
LC White Plains	2003	27,245,000	23,530,000	-	1,040,000	22,490,000	1 City Center Place White Plains, NY 10601
Schnurmacher Center for Rehabilitation and Nursing (Redeemed 2013)	2003	1,320,000	680,000	-	680,000	-	12 Tibbits Avenue White Plains, NY 10605
Schnurmacher Center for Rehabilitation and Nursing	2003	2,310,000	2,310,000	-	325,000	1,985,000	12 Tibbits Avenue White Plains, NY 10605
Young Adult Institute	2002	2,870,000	1,000,000	-	150,000	850,000	Multiple Locations
YWCA of White Plains and Central Westchester	2003	4,640,000	2,595,000	-	215,000	2,380,000	515 North Street White Plains, NY 10605
Northern Westchester Hospital Association	2004	16,000,000	11,540,000	-	750,000	10,790,000	400 East Main Street Mt. Kisco, NY 10549
Ardsey Housing, LLC	2004	8,155,000	7,790,000	-	60,000	7,730,000	Silvia Avenue Ardsey, NY 10502
Ardsey Housing, LLC	2004	6,290,000	6,035,000	-	45,000	5,990,000	Silvia Avenue Ardsey, NY 10502
Ardsey Housing, LLC	2004	6,865,000	6,585,000	-	50,000	6,535,000	Silvia Avenue Ardsey, NY 10502
Young Adult Institute	2004	1,210,000	665,000	-	75,000	590,000	Multiple Locations
Guiding Eyes for the Blind	2004	5,065,000	5,065,000	-	310,000	4,755,000	611 Granite Springs Road Yorktown Heights, NY 10598
Westchester Arts Council	2004	3,265,000	2,735,000	-	80,000	2,655,000	31 Mamaroneck Avenue White Plains, NY 10601
Clearview School - Series A	2005	320,000	60,000	-	40,000	20,000	550 Albany Post Road Briarcliff Manor, NY 10510
Clearview School - Series B	2005	1,215,000	1,215,000	-	-	1,215,000	550 Albany Post Road Briarcliff Manor, NY 10510
Mercy College	2005	10,140,000	6,545,000	-	625,000	5,920,000	555 Broadway Dobbs Ferry, NY 10522
Westchester Community Revitalization - Series A	2005	4,170,000	3,770,000	-	95,000	3,675,000	Multiple Locations

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
Masters School	Same as project address	Construction	Variable Rate Demand Obligation	12/1/2032	Tax Exempt
The Hackley School	Same as project address	Construction	Auction Rate	12/1/2028	Tax Exempt
Cappelli Enterprises	115 Stevens Avenue Valhalla, NY 10580	Construction	6.00%	10/15/2027	Taxable
Schnurmacher Center for Rehabilitation and Nursing	612 Allerton Avenue Bronx, NY 10467	Other	6.00%	11/1/2013	Tax Exempt
Schnurmacher Center for Rehabilitation and Nursing	612 Allerton Avenue Bronx, NY 10467	Other	6.00%	11/1/2013	Tax Exempt
Young Adult Institute	460 West 34th Street New York, NY 10001	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
YWCA of White Plains	Same as project address	Other	Variable Rate Demand Obligation	7/1/2023	Tax Exempt
Northern Westchester Hospital Association	Same as project address	Services	Variable Rate Demand Obligation	11/1/2024	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
Young Adult Institute	460 West 34th Street New York, NY 10001	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
Guiding Eyes for the Blind	Same as project address	Other	Yields from 4.00% to 5.375%	8/1/2024	Tax Exempt
Westchester Arts Council	Same as project address	Other	Variable Rate Demand Obligation	5/1/2034	Tax Exempt
Clearview School	Same as project address	Other	6.60%	1/1/2035	Tax Exempt
Clearview School	Same as project address	Other	7.25%	1/1/2035	Tax Exempt
Mercy College	Same as project address	Construction	Variable Rate Demand Obligation	7/1/2030	Tax Exempt
Westhab Community Revitalization	85 Executive Boulevard Elmsford, NY 10523	Construction	Yields from 4.25% to 4.85%	6/1/2032	Tax Exempt

(Continued)

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplemental Information
Schedule of Indebtedness - Bonds and Notes Issued, Outstanding or Retired (Continued)
December 31, 2013

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2013	New Issues	Payments	Outstanding Balance at December 31, 2013	Project Address
Young Adult Institute	2005	3,340,000	1,450,000	-	130,000	1,320,000	460 West 34th Street New York, NY 10001
Young Adult Institute	2006	3,735,000	2,310,000	-	240,000	2,070,000	460 West 34th Street New York, NY 10001
Greenburgh Housing, LLC	2006	12,240,000	11,835,000	-	280,000	11,555,000	90 Manhattan Avenue Greenburgh, NY 10607
Soundview School	2007	2,880,000	2,561,468	-	71,325	2,490,143	370 Underhill Avenue Yorktown Heights, NY 10598
YMCA of Central & Northern Westchester	2007	3,555,336	3,524,826	-	15,255	3,509,571	250 Mamaroneck Avenue White Plains, New York 10601
YMCA of Central & Northern Westchester (Redeemed 2013)	2007	529,210	14,338	-	14,338	-	250 Mamaroneck Avenue White Plains, New York 10601
Kendal on Hudson (Redeemed 2013)	2007	41,350,000	40,930,000	-	40,930,000	-	1010 Kendal Way Sleepy Hollow, NY 10591
Westchester Meadows/Hebrew Hospital - Series 2008	2008	14,995,000	13,905,000	-	335,000	13,570,000	61 Grasslands Road Valhalla, NY 10595
EBC White Plains, LLC Series 2011A	2011	12,865,000	12,865,000	-	-	12,865,000	305 North Street White Plains, NY 10605
EBC White Plains, LLC Series 2011B	2011	12,860,000	12,860,000	-	-	12,860,000	305 North Street White Plains, NY 10605
EBC White Plains, LLC Series 2011C	2011	12,865,000	12,865,000	-	-	12,865,000	305 North Street White Plains, NY 10605
EB Armonk, LLC Series 2012A	2012	12,995,000	12,995,000	-	-	12,995,000	90 Business Park Drive Armonk, NY 10504
EB Armonk, LLC Series 2012B	2012	12,790,000	12,790,000	-	-	12,790,000	90 Business Park Drive Armonk, NY 10504
EB Armonk, LLC Series 2012A	2012	12,790,000	12,790,000	-	-	12,790,000	90 Business Park Drive Armonk, NY 10504
Rye Manor	2013	12,200,000	-	12,200,000	-	12,200,000	300 Theall Road Rye, NY 10580
Madison House Apartments, LLC	2013	10,000,000	-	10,000,000	-	10,000,000	70 Ferris Ave White Plains, NY 10603
Total Indebtedness		<u>\$ 530,129,546</u>	<u>\$ 412,466,250</u>	<u>\$ 22,200,000</u>	<u>\$ 126,106,882</u>	<u>\$ 308,559,368</u>	

See Independent Auditors' Report

<u>Owner</u>	<u>Owner Address</u>	<u>Project Purpose Code</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Federal Tax Status</u>
Young Adult Institute	Same as project address	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
Young Adult Institute	Same as project address	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
Marathon Development	901 Main Street, Suit 300 Peekskill, NY 10566	Construction	5.75%	7/1/2039	Tax Exempt
Soundview School	Same as Project	Other	5.87%	8/1/2027	Tax Exempt
YMCA of Central & Northern Westchester	Same as Project	Other	5.40%	12/4/2027	Tax Exempt
YMCA of Central & Northern Westchester	Same as Project	Other	5.40%	12/4/2012	Taxable
Kendal on Hudson	Same as Project	Other	Variable 4.374% at Issuance	1/1/2034	Tax Exempt
Westchester Meadows - Hebrew Hospital	Same as project address	Other	Variable	7/1/2038	Tax Exempt
EBC White Plains, LLC	124 Alantic Avenue Lynbrook, NY 11563	Other	8.00%	11/1/2043	Tax Exempt
EBC White Plains, LLC	124 Alantic Avenue Lynbrook, NY 11563	Other	8.00%	11/1/2043	Tax Exempt
EBC White Plains, LLC	124 Alantic Avenue Lynbrook, NY 11563	Other	8.00%	11/1/2043	Tax Exempt
Engel Burman at Armonk, LLC	67 Clinton Road Garden City, NY 11530	Construction	6.50%	11/1/2045	Tax Exempt
Engel Burman at Armonk, LLC	67 Clinton Road Garden City, NY 11530	Construction	6.50%	11/1/2045	Tax Exempt
Engel Burman at Armonk, LLC	67 Clinton Road Garden City, NY 11530	Construction	6.50%	11/1/2045	Tax Exempt
Rye Manor LLC	700 White Plains Road #363 Scarsdale, NY 10853	Other	2.79% (Construction Period) 5.84% (Permanent Period)	12/1/2050	Tax Exempt
Marathon Development Group	901 Main Street, Suite 300 Peekskill, NY 10566	Other	0.49%	7/1/2015	Tax Exempt

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplemental Information
Schedule of Straight-Lease Transactions Executed in 2013
December 31, 2013

<u>Project</u>	<u>Project Address</u>	<u>Owner</u>	<u>Owner Address</u>
Endurance	4 Manhattanville Road Purchase, New York	Endurance Reinsurance Corporation of America	333 Westchester Ave., West Building White Plains, NY 10604
Renamba	25 Saxon Woods Road, Scarsdale, New York	Renamba LLC	34 Shelter Rock Road Manhasset, NY 11030
Xylem	1 International Drive, Rye Brook, NY	Xylem Inc.	1 International Drive, Rye Brook, NY

See Independent Auditors' Report

<u>Approximate Cost</u>	<u>Benefit (Sales Tax)</u>	<u>Benefit (Mortgage Tax)</u>	<u>Jobs at Location</u>	<u>Jobs to be Created</u>	<u>Jobs to be Retained</u>
\$8,000,000	\$218,755	-	-	30	-
\$42,000,000	\$800,000	-	-	45	-
\$11,600,000	\$562,000	-	106	15	106

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplemental Information
Schedule of Payments in Lieu of Taxes
December 31, 2013

Project	Project Address	City	Pilot Payments School	County
Morgan Stanley DW, Morgan Stanley & Co.	2000 Westchester Avenue Harrison, NY 10650	\$ 775,125	\$ 1,729,002	\$ 495,873
New York Life Insurance, Co.	1 Rockwood Road Sleepy Hollow, NY 10591	81,071	1,049,189	164,492
Levister Redevelopment Company,	1 Eastchester Lane Mount Vernon, NY 10550	79,910	201,961	28,760
BWP Distributors	215 Business Park Drive Armonk, NY 10504	31,265	130,728	32,049
Snowden House	35 Snowden Avenue Ossining, NY 10562	14,286	30,137	4,269
Westchester Wheelabrator	One Charles Point Avenue Peekskill, NY 10566	4,457,225	4,457,225	N/A
800-60 Westchester Avenue/ 760-24 Westchester Avenue	800 / 760 Westchester Avenue Rye Brook, NY 10573	656,141	1,901,334	296,297
Avon Products, Inc.	601 Midland Avenue Rye, NY 10580	90,866	338,455	106,066
Doral / Pfizer	975 Anderson Hill Road Rye Brook, NY 10574	29,718	240,621	87,688
FC Bellefair, LLC	1104 King Street Rye Brook, NY 10573	71,330	704,319	96,968
Bank Street Commons	10 Main Street White Plains, NY 10601	544,542	1,656,316	281,842
Clayton Park	2 Canfield Avenue White Plains, NY 10601	287,610	874,815	148,860
Cohen Brothers	333 Westchester Avenue White Plains, NY 10605	251,697	765,580	130,272
Bloomingdale Road Investors	100 Bloomingdale Road White Plains, NY 10601	287,610	874,815	148,860
LC White Plains, LLC (A)	1 City Center Place White Plains, NY 10601	548,396	1,668,039	283,836
City Center Residential, LLC (B)	1 City Place White Plains, NY 10601	159,143	484,060	82,368
SubTerrain Parking (C)	1 City Place White Plains, NY 10601	20,133	61,237	10,420
Kensico Terrace, LLC	24 South Kensico Terrace White Plains, NY 10601	10,066	30,619	5,210
1133 Westchester Avenue	1133 Westchester Avenue White Plains, NY 10605	498,524	1,516,346	258,024

County of Westchester Industrial Development Agency
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Supplemental Information
Schedule of Payments in Lieu of Taxes (Continued)
December 31, 2013

Project	Project Address	City	Pilot Payments School	County
LCOR 55 Bank Street	55 Bank Street White Plains, NY 10601	13,038	39,658	6,748
Symphony Knoll	15-17 Mount Airy Road Croton-on-Hudson, NY	1	-	-
422 Warburton, LLC	422 Warburton Street Hastings-on-Hudson, NY 10706	692	214	94
Lafarge North America	350 Broadway, Buchanan, NY 10511	11,915	336,986	65,782
Fairview Housing/Greenburgh Housing	Oak Street/Manhattan Ave Greenburgh, NY 10607	40,388	103,256	23,269
Westchester Meadows Hebrew Hospital Home of Westchester, Westchester Inc.	61 Grasslands Road Valhalla, NY 10595	198,202	606,004	114,188
Kendal on Hudson	1 Kendal Way Sleepy Hollow, NY 10591	318,465	543,375	74,723
Tarrytown Corporate Center	520 White Plains Road Greenburgh, NY 10591	232,948	686,774	102,627
Regeneron Pharmaceuticals, Inc.	777 Old Saw Mill River Road Tarrytown, NY 10591	189,508	270,747	109,180
EBC White Plains, LLC	305 North Street White Plains, NY 10605	34,513	104,978	17,863
Main Street WP Hotel Associates, LLC	250 Main Street White Plains, NY 10601	20,133	61,237	10,420
Magnetic Analysis Corporation	103 Fairview Park Drive Elmsford, NY 10523	-	35,717	-

**Independent Accountants' Report on Compliance with Section 2925(3)(1)
of the New York State Public Authorities Law**

**The Board of Directors of the
County of Westchester Industrial Development Agency
(a component unit of the County of Westchester, New York)**

We have examined the County of Westchester Industrial Development Agency's (the "Agency") compliance with Section 2925(3)(1) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended December 31, 2013. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining on a test basis evidence supporting the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2013.

This report is intended solely for the information and use of management, the Board of Directors, officials of the County of Westchester, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
March 25, 2014