

**CITY OF NEW ROCHELLE CORPORATION  
FOR LOCAL DEVELOPMENT**

**(A COMPONENT UNIT OF  
THE CITY OF NEW ROCHELLE)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2014 AND 2013**

**CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT**

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**DECEMBER 31, 2014 AND 2013**

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**BLOOM AND STREIT LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

ROGER BERMAN, CPA  
WILLIAM J. RANK, CPA, CFP  
MARK COHEN, CPA

**INDEPENDENT AUDITORS' REPORT**

**To the Board of Trustees  
CITY OF NEW ROCHELLE CORPORATION FOR LOCAL DEVELOPMENT**

We have audited the accompanying financial statements of City of New Rochelle Corporation For Local Development, which comprise the statements of net position as of December 31, 2014 and 2013, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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' judgement, 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 auditors consider 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 City of New Rochelle Corporation For Local Development, as of December 31, 2014 and 2013, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Bloom and Streit LLP*

**BLOOM AND STREIT LLP**  
**Certified Public Accountants**  
**March 19, 2015**

**CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT**

**Statements of Net Position**

**As of December 31,**

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash in Bank	15,682	27,108
Accounts Receivable	769	169
Prepaid Expenses	42	0
<b>Total Current Assets</b>	<u>16,493</u>	<u>27,277</u>
<b>PROPERTY AND EQUIPMENT</b>		
<b>Total Property and Equipment</b>	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u>16,493</u>	<u>27,277</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	<u>3,000</u>	<u>3,000</u>
<b>Total Liabilities</b>	<u>3,000</u>	<u>3,000</u>
<b>NET POSITION</b>	<u>13,493</u>	<u>24,277</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>16,493</u>	<u>27,277</u>

*See accompanying notes and auditors' report*

**CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT**

**Statements of Activities**

**For the Years Ended December 31,**

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Program Fees	0	25,000
Annual Service Fees	1,500	1,500
Application Fees	1,200	600
Miscellaneous Income	0	170
Interest Income	26	7
<b>Total Revenues</b>	<u>2,726</u>	<u>27,277</u>
<b>EXPENDITURES</b>		
Contract Services	10,000	0
Accounting and Legal Fees	3,000	3,000
Office Supplies, Printing and Postage	352	0
Insurance	158	0
<b>Total Expenditures</b>	<u>13,510</u>	<u>3,000</u>
<b>(Decrease) Increase in Net Position</b>	(10,784)	24,277
<b>Net Position - Beginning of Year</b>	<u>24,277</u>	<u>0</u>
<b>Net Position - End of Year</b>	<u>13,493</u>	<u>24,277</u>

*See accompanying notes and auditors' report*

# CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

## Statements of Cash Flows

For the Years Ended December 31,

	<u>2014</u>	<u>2013</u>
<b>Cash Flows From Operating Activities</b>		
Change in Net Position	(10,784)	24,277
Adjustments to reconcile change in net position to net cash (used) provided by operating activities:		
Decrease (Increase) in operating assets:		
Accounts Receivable	(600)	(169)
Prepaid Expenses	(42)	0
Increase (Decrease) in operating liabilities:		
Accounts Payable and Accrued Expenses	<u>0</u>	<u>3,000</u>
<b>Net cash (used) provided by operating activities</b>	(11,426)	27,108
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	(11,426)	27,108
Cash and Cash Equivalents at Beginning of Year	<u>27,108</u>	<u>0</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>15,682</u></u>	<u><u>27,108</u></u>

**Supplemental Disclosures:**

N/A

*See accompanying notes and auditors' report*

# CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

## Notes to Financial Statements

December 31, 2014 and 2013

### Note 1

#### Nature of Activities

City of New Rochelle Corporation For Local Development (LDC) is a local development corporation created in 2013 under Sections 402 and 1411 of the New York Not-for-Profit Corporation Law for the purposes of relieving unemployment, bettering job opportunities and attracting or retaining business in the City of New Rochelle. The Board of Directors of the LDC consist of the members of the Board of the New Rochelle Industrial Development Agency and are appointed by the City of New Rochelle. As such, the LDC members have complete responsibility for management of the Agency and accountability for all fiscal matters. Accordingly, the LDC, although established by the City of New Rochelle, is a separate entity and operates independently of the City of New Rochelle. The LDC is exempt from Federal, State and local income taxes.

### Note 2

#### Summary of Significant Accounting Policies

##### Basis of Accounting

The LDC complies with generally accepted accounting principles (GAAP). GAAP incorporates all relevant governmental accounting standards board (GASB) pronouncements including GASB No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments". The financial statements of the LDC are prepared on the accrual basis applicable for fund accounting which most accurately reflect their activities. All revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions for the LDC have been recorded and reported in the general operating fund.

##### Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

## Notes to Financial Statements

December 31, 2014 and 2013

**Note 2**      **Summary of Significant Accounting Policies - continued**  
**Cash and Cash Equivalents**

For purposes of the statements of cash flows, the LDC considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents.

**Donated Materials and Services**

The LDC records the value of donated goods or services when received. Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services at December 31, 2014 and 2013.

**Note 3**      **Concentration of Credit Risk**

In accordance with NYS General Municipal Law Section 10.3, any amounts that may exist in excess of the F.D.I.C. limits have been secured through a collateralized deposit agreement with the appropriate financial institutions.

**Note 4**      **Development Bond and Note Transactions**

Certain local development revenue bonds and notes issued by the LDC are secured by property which is leased to companies and the bonds are retired by lease payments. The bonds and notes are obligations of the LDC but are payable solely out of lease payments or the real property which is the subject thereof. All lease payments are paid to a trustee for disbursement to lenders. The LDC 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 therefrom are controlled by trustees or banks acting as fiscal agents. The LDC received fees in the amount of \$ -0- and \$25,000 for providing this service for the year ended December 31, 2014 and 2013, respectively.

**CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT**

**Notes to Financial Statements**

**December 31, 2014 and 2013**

**Note 5**

**Subsequent Events**

Management has evaluated subsequent events through March 19, 2015, the date at which the financial statements became available for issuance. No events have occurred that would require adjustments to, or disclosure in, the financial statements.

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

**To the Board of Trustees**

**CITY OF NEW ROCHELLE CORPORATION FOR LOCAL DEVELOPMENT**

We have audited the financial statements of City of New Rochelle Corporation For Local Development as of and for the years ended December 31, 2014 and 2013 and have issued our report thereon dated March 19, 2015, which contained an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of budget with actual operating amounts and comparative schedule of actual operating amounts are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in our audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Bloom and Streit LLP*

**BLOOM AND STREIT LLP  
Certified Public Accountants  
March 19, 2015**

**CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT**

**Schedule of Budget with Actual Operating Amounts**

	<b>Original Budget Year Ended <u>Dec. 31, 2014</u> (Unaudited)</b>	<b>Final Budget Year Ended <u>Dec. 31, 2014</u> (Unaudited)</b>	<b>Actual Year Ended <u>Dec. 31, 2014</u></b>	<b>Variance Favorable <u>(Unfavorable)</u></b>
<b>REVENUES</b>				
Program Fees	50,000	50,000	0	(50,000)
Appropriation of Fund Balance	(28,050)	(38,050)	0	38,050
Application Fees	1,800	1,800	1,200	(600)
Annual Service Fees	4,500	4,500	1,500	(3,000)
Interest Income	100	100	26	(74)
<b>Total Revenues</b>	<u>28,350</u>	<u>18,350</u>	<u>2,726</u>	<u>(15,624)</u>
<b>EXPENDITURES</b>				
Contract Services	10,000	10,000	10,000	0
Consulting Fees	11,000	1,000	0	1,000
Accounting and Legal Fees	4,000	4,000	3,000	1,000
Advertising and Marketing	1,750	1,750	0	1,750
Office Supplies, Printing and Postage	600	600	352	248
Meetings, Conferences and Seminars	500	500	0	500
Insurance	500	500	158	342
<b>Total Expenditures</b>	<u>28,350</u>	<u>18,350</u>	<u>13,510</u>	<u>4,840</u>
<b>Decrease in Net Position</b>	<u>0</u>	<u>0</u>	<u>(10,784)</u>	<u>(10,784)</u>

*See auditors' report on supplementary information*

**CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT**

**Comparative Schedule of Actual Operating Amounts**

	<b><u>Actual Year Ended Dec. 31, 2014</u></b>	<b><u>Actual Year Ended Dec. 31, 2013</u></b>
<b>REVENUES</b>		
Program Fees	0	25,000
Application Fees	1,200	600
Annual Service Fees	1,500	1,500
Interest Income	26	7
Miscellaneous Income	0	170
<b>Total Revenues</b>	<b><u>2,726</u></b>	<b><u>27,277</u></b>
<b>EXPENDITURES</b>		
Contract Services	10,000	0
Accounting and Legal Fees	3,000	3,000
Office Supplies, Printing and Postage	352	0
Insurance	158	0
<b>Total Expenditures</b>	<b><u>13,510</u></b>	<b><u>3,000</u></b>
<b>(Decrease) Increase in Net Position</b>	<b><u>(10,784)</u></b>	<b><u>24,277</u></b>

*See auditors' report on supplementary information*