

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

Financial Statements
and Supplementary Information

Years Ended December 31, 2015 and 2014

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 financial statements of the County of Westchester Industrial Development Agency ("Agency") (a component unit of the County of Westchester, New York) as of and for the years ended December 31, 2015 and 2014 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 financial position of the Agency as of December 31, 2015 and 2014 and the 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.

PKF O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.pkfod.com

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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 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.

Supplementary 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 2015 and payments in lieu of taxes are presented for purposes of additional analysis and are not a required part of the financial statements and are the responsibility of management. 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2016 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 24, 2016 on our consideration of the Agency's compliance with Section 2925(3)(f) 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 24, 2016

**County of Westchester
Industrial Development Agency**

Management's Discussion and Analysis (MD&A)
December 31, 2015

Compliance and Accountability

Since the County of Westchester Industrial Development ("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 continuity in consistency 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 2015 change in net position, a decrease of \$279,525, was less than the 2014 change in net position, an increase of \$46,562, by \$326,087. This \$326,087 decrease is primarily due to the net decrease in closing fees, application and administrative fees and other contractual fees of \$438,603, partially offset by an increase in interest income of \$5,637 and a decrease in other operating expenses of \$106,879.

Liquidity

Cash and equivalents decreased by \$279,964 in 2015. The overall decrease in cash and equivalents is due to the 2015 receipts from charges for services of \$878,995, receipts from rental activities of \$10,000 and interest of \$9,517, partially offset by cash payments for contracted services amounting to \$128,893, payments for personal services and fringe benefits of \$448,396 as well as other administrative costs of \$601,187. 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 the 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 Statement of Net Position
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 3,960,901	\$ 4,240,865
Accounts receivable (net of allowance for uncollectable amounts of \$0 in 2015 and \$394 in 2014)	65,294	172,452
Prepaid expenses	<u>-</u>	<u>7,000</u>
Total Current Assets	4,026,195	4,420,317
Assets held for others	1,512,203	1,511,602
Capital assets		
Land	<u>1,100,000</u>	<u>1,100,000</u>
Total Assets	<u>6,638,398</u>	<u>7,031,919</u>
LIABILITIES		
Accounts payable	87,625	197,520
Due to other governments	<u>364,875</u>	<u>369,577</u>
Total Current Liabilities	452,500	567,097
Custodial funds	<u>1,512,203</u>	<u>1,511,602</u>
Total Liabilities	<u>1,964,703</u>	<u>2,078,699</u>
NET POSITION		
Net investment in capital assets	1,100,000	1,100,000
Unrestricted	<u>3,573,695</u>	<u>3,853,220</u>
Total Net Position	<u>\$ 4,673,695</u>	<u>\$ 4,953,220</u>

See notes to financial statements.

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

Comparative Statement of Activities
Years Ended December 31,

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for services		
Closing fees	\$ 761,232	\$ 1,205,651
Application and administrative fees	12,500	6,000
Other contractual fees	1,522	2,206
	<u>775,254</u>	<u>1,213,857</u>
OPERATING EXPENSES		
Personal services	276,269	241,051
Fringe benefits	174,045	145,211
Professional fees	143,984	94,404
Office	91,395	104,358
Travel	1,599	3,026
Contracted services	-	425,500
Advertising	354,243	137,067
Membership dues	29,345	29,610
Bad debts	3,416	948
	<u>1,074,296</u>	<u>1,181,175</u>
Total Operating Expenses		
	<u>1,074,296</u>	<u>1,181,175</u>
(Loss) Income from Operations	<u>(299,042)</u>	<u>32,682</u>
NON-OPERATING REVENUES		
Rental fees	10,000	10,000
Interest income	9,517	3,880
	<u>19,517</u>	<u>13,880</u>
Total Non-Operating Revenues		
	<u>19,517</u>	<u>13,880</u>
Change in Net Position	(279,525)	46,562
NET POSITION		
Beginning of Year	<u>4,953,220</u>	<u>4,906,658</u>
End of Year	<u>\$ 4,673,695</u>	<u>\$ 4,953,220</u>

See notes to financial statements.

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

Comparative Statement of Cash Flows
Years Ended December 31,

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from charges for services	\$ 878,995	\$ 1,215,023
Cash paid for contracted services	(128,893)	(258,583)
Cash paid for personal services and fringe benefits	(448,396)	(288,699)
Cash paid for administrative costs	<u>(601,187)</u>	<u>(358,081)</u>
Net Cash from Operating Activities	<u>(299,481)</u>	<u>309,660</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from rental activities	10,000	10,000
Interest income	<u>9,517</u>	<u>3,880</u>
Net Cash from Investing Activities	<u>19,517</u>	<u>13,880</u>
Net Change in Cash and Equivalents	(279,964)	323,540
CASH AND EQUIVALENTS		
Beginning of Year	<u>4,240,865</u>	<u>3,917,325</u>
End of Year	<u>\$ 3,960,901</u>	<u>\$ 4,240,865</u>
RECONCILIATION OF (LOSS) INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
(Loss) income from operations	\$ (299,042)	\$ 32,682
Adjustments to reconcile (loss) income from operations to net cash from operating activities		
Bad debt expense	3,416	948
Changes in operating assets and liabilities		
Accounts receivable	103,742	1,166
Prepaid expenses	7,000	-
Assets held for others	(601)	(1,717)
Accounts payable	(109,895)	149,633
Due to other governments	(4,702)	125,231
Custodial funds	<u>601</u>	<u>1,717</u>
Net Cash from Operating Activities	<u>\$ (299,481)</u>	<u>\$ 309,660</u>

See notes to financial statements.

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

Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Note 1 - Organization

The County of Westchester Industrial Development Agency ("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 ("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.

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/Custodial Funds

Assets held for others/custodial funds 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.

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

Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Note 2 - Summary of Significant Accounting Policies (Continued)

Due to Other Governments

During the course of its operations, the Agency collects and remits funds to other governments. To the extent that certain transactions between the Agency and other governments have not been paid as of December 31, 2015 these amounts have been recorded in the financial statements.

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 net investment in capital assets the balance is classified as unrestricted.

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 24, 2016.

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.

Note 4 - Due to Other Governments

Due to other governments as of December 31 consisted of the following:

	<u>2015</u>	<u>2014</u>
Mortgage tax benefit recapture	\$ 124,938	\$ 124,938
Operating costs - Due to County	<u>239,937</u>	<u>244,639</u>
	<u>\$ 364,875</u>	<u>\$ 369,577</u>

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

Notes to Financial Statements (Continued)
December 31, 2015 and 2014

Note 5 - Assets Held for Others/Custodial Funds

On June 23, 2011 the Agency entered into an escrow agreement with a former PILOT participant ("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 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, 2015 and 2014, the Agency received \$1,077,466 and \$1,056,956 respectively, of rental income under the aforementioned lease arrangement. The current terms of the "Austin Avenue" Five Party Agreement provides that the Agency must remit all of the rental income received from the aforementioned lease to both the County (2/3rd) and Yonkers (1/3rd). Consequently, amounts due to the County and Yonkers for each year have been netted against rental fees in the accompanying Statement of Activities.

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

Notes to Financial Statements (Concluded)
December 31, 2015 and 2014

Note 7 - Rental Revenue Under Operating Leases (Continued)

Future minimum lease income to be received pursuant to the Austin Avenue Park land discussed in Note 2 at December 31, 2015 is as follows:

2016	\$	1,180,000
2017		1,180,000
2018		1,180,000
2019		1,180,000
2020		1,203,333
Thereafter		38,414,067
	\$	<u>44,337,400</u>

Note 8 - Related Party Transaction

During 2015 and 2014 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 and Contract.

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

	<u>2015</u>	<u>2014</u>
Personal services and Fringe Benefits	\$ 450,314	\$ 386,262
Space, supplies, equipment and other administrative expenses	<u>72,348</u>	<u>84,192</u>
Total	<u>\$ 522,662</u>	<u>\$ 470,454</u>
Due to the County at December 31,	<u>\$ 239,937</u>	<u>\$ 244,639</u>

In addition, the Agency has agreed to provide the County, on behalf of the Westchester-Putnam Local Workforce Investment Board (“WPLWIB”), \$200,000 to be used as an incentive for local businesses in Westchester County to hire and train county residents to better prepare them to function competently in their new jobs. Each business applicant may apply to the WPLWIB for up to \$20,000 for on the job training, customized training and/or business sector training to offset the cost of hiring.

SUPPLEMENTARY 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, 2015

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2015	New Issues	Payments	Outstanding Balance at December 31, 2015	Project Address
Andrus Memorial Julia Dyckman	1996	\$ 5,840,000	\$ 995,000	\$ -	\$ 485,000	\$ 510,000	1156 North Broadway Yonkers, NY 10701
Hendrick Hudson Free Library	1996	2,300,000	1,094,514	-	119,803	974,711	185 Kings Ferry Road Montrose, NY 10548
Boys and Girls Club of Northern Westchester (Redeemed 2015)	1998	7,000,000	3,070,000	-	3,070,000	-	351 Main Street Mt. Kisco, NY 10549
Lawrence Hospital - Series A	1998	8,095,000	3,065,000	-	710,000	2,355,000	55 Palmer Avenue Bronxville, NY 10708
Lawrence Hospital - Series B	1998	10,810,000	8,080,000	-	395,000	7,685,000	55 Palmer Avenue Bronxville, NY 10708
Westchester Jewish Community Services	1998	3,450,000	1,235,000	-	90,000	1,145,000	Cedar Knolls School Hawthorne, NY 10532
Music Conservatory of Westchester	1999	4,500,000	2,890,000	-	110,000	2,780,000	216 Central Avenue White Plains, NY 10606
Jacob Burns (Redeemed 6/1/15)	2000	4,500,000	3,155,000	-	3,155,000	-	39 Washington Avenue Pleasantville, NY 10570
Levister Redevelopment	2001	34,000,000	23,541,978	306,126	-	23,848,104	1 Eastchester Lane Mount Vernon, NY 10550
Catharine Fieldhome	2001	16,645,000	12,590,000	-	545,000	12,045,000	2300 Catherine Street Cortlandt Manor, NY 10567
Ardsley Housing, LLC	2002	7,195,000	5,055,000	-	60,000	4,995,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	3,145,000	2,985,000	-	30,000	2,955,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	6,330,000	5,980,000	-	50,000	5,930,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	3,590,000	3,395,000	-	30,000	3,365,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	8,470,000	8,005,000	-	70,000	7,935,000	Silvia Avenue Ardsley, NY 10502
Hackley School	2003	16,000,000	4,430,000	-	315,000	4,115,000	293 Beekman Avenue Tarrytown, NY 10591
LC White Plains	2003	27,245,000	21,420,000	-	1,070,000	20,350,000	1 City Center Place White Plains, NY 10601
Schnurmacher Center for Rehabilitation and Nursing	2003	2,310,000	1,925,000	-	65,000	1,860,000	12 Tibbits Avenue White Plains, NY 10605
Young Adult Institute	2002	2,870,000	700,000	-	150,000	550,000	Multiple Locations
Northern Westchester Hospital Association	2004	16,000,000	10,005,000	-	820,000	9,185,000	400 East Main Street Mt. Kisco, NY 10549
Ardsley Housing, LLC	2004	8,155,000	7,670,000	-	70,000	7,600,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2004	6,290,000	5,940,000	-	50,000	5,890,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2004	6,865,000	6,485,000	-	60,000	6,425,000	Silvia Avenue Ardsley, NY 10502
Young Adult Institute (Redeemed 3-19-15)	2004	1,210,000	515,000	-	515,000	-	Multiple Locations
Guiding Eyes for the Blind (Redeemed 8/15/15)	2004	5,065,000	4,430,000	-	4,430,000	-	611 Granite Springs Road Yorktown Heights, NY 10598
Westchester Arts Council	2004	3,265,000	2,575,000	-	80,000	2,495,000	31 Mamaroneck Avenue White Plains, NY 10601

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
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
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%	12/15/2028	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
All County Management	31-10 37th Avenue, Suite 500 Long Island City, NY 11101	Construction	5.85%	8/1/2052	Tax Exempt
Catherine Fieldhome	Same as project address	Construction	Variable Rate Demand Obligation	1/1/2031	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
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
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%	11/1/2033	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
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

(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, 2015

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2015	New Issues	Payments	Outstanding Balance at December 31, 2015	Project Address
Clearview School - Series B	2005	\$ 1,215,000	\$ 1,190,000	\$ -	\$ 75,000	\$ 1,115,000	550 Albany Post Road Briarcliff Manor, NY 10510
Mercy College	2005	10,140,000	5,260,000	-	690,000	4,570,000	555 Broadway Dobbs Ferry, NY 10522
Westchester Community Revitalization - Series A	2005	4,170,000	3,575,000	-	105,000	3,470,000	Multiple Locations
Young Adult Institute (Redeemed 3-19-15)	2005	3,340,000	1,185,000	-	1,185,000	-	460 West 34th Street New York, NY 10001
Young Adult Institute (Redeemed 3-19-15)	2006	3,735,000	1,825,000	-	1,825,000	-	460 West 34th Street New York, NY 10001
Greenburgh Housing, LLC	2006	12,240,000	11,545,000	-	155,000	11,390,000	90 Manhattan Avenue Greenburgh, NY 10607
Soundview School	2007	2,880,000	2,414,456	-	80,317	2,334,139	370 Underhill Avenue Yorktown Heights, NY 10598
YMCA of Central & Northern Westchester	2007	3,555,336	3,494,316	-	15,255	3,479,061	250 Mamaroneck Avenue White Plains, New York 10601
Westchester Meadows/Hebrew Hospital - Series 2008	2008	14,995,000	13,270,000	-	7,815,000	5,455,000	61 Grasslands Road Valhalla, NY 10595
EBC White Plains, LLC Series 2011A (Redeemed 11/1/15)	2011	12,865,000	12,750,000	-	12,750,000	-	305 North Street White Plains, NY 10605
EBC White Plains, LLC Series 2011B (Redeemed 11/1/15)	2011	12,860,000	12,750,000	-	12,750,000	-	305 North Street White Plains, NY 10605
EBC White Plains, LLC Series 2011C (Redeemed 11/1/15)	2011	12,865,000	12,755,000	-	12,755,000	-	305 North Street White Plains, NY 10605
EB Armonk, LLC Series 2012A (Redeemed 11/1/15)	2012	12,995,000	12,995,000	-	12,995,000	-	90 Business Park Drive Armonk, NY 10504
EB Armonk, LLC Series 2012B (Redeemed 11/1/15)	2012	12,790,000	12,790,000	-	12,790,000	-	90 Business Park Drive Armonk, NY 10504
EB Armonk, LLC Series 2012A (Redeemed 11/1/15)	2012	12,790,000	12,790,000	-	12,790,000	-	90 Business Park Drive Armonk, NY 10504
Rye Manor (Redeemed 7/22/15)	2013	12,200,000	12,200,000	-	12,200,000	-	300 Theall Road Rye, NY 10580
Madison House Apartments, LLC (Redeemed 7/1/15)	2013	10,000,000	10,000,000	-	10,000,000	-	70 Ferris Ave White Plains, NY 10603
Washington House, LLC Series 2014A	2014	24,684,221	24,684,221	-	1,164	24,683,057	60 Union Avenue New Rochelle, NY 10801
Washington House, LLC Series 2014B	2014	6,500,000	6,500,000	-	1,040,062	5,459,938	60 Union Avenue New Rochelle, NY 10801
Mamaroneck Towers Series 2014A	2014	8,992,800	8,992,800	-	98,616.92	8,894,183	233-235 Halstead Avenue Mamaroneck, NY 10543
Mamaroneck Towers Series 2014B	2014	2,607,200	2,607,200	-	322,638.20	2,284,562	233-235 Halstead Avenue Mamaroneck, NY 10543
Mamaroneck Towers Series 2014C	2014	500,000	500,000	-	-	500,000	233-235 Halstead Avenue Mamaroneck, NY 10543
Petrillo Apartments, LLC Series 2015A	2015	-	-	13,500,000	2,629,544	10,870,456	110-112 No. 3rd Ave. Mount Vernon, NY 10550
Petrillo Apartments, LLC Series 2015B	2015	-	-	2,050,000	1,608,747	441,253	110-112 No. 3rd Ave. Mount Vernon, NY 10550
Total Indebtedness		\$ 420,064,557	\$ 337,304,485	\$ 15,856,126	\$ 133,221,147	\$ 219,939,464	

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
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
Young Adult Institute	Same as project address	Other	Yields from 5.50% to 6.50%	7/1/2021	(Continued) 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
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 10583	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
Washington House LLC	700 White Plains Road #363 Scarsdale, NY 10583	Other	3.08%	1/1/2052	Tax Exempt
Washington House LLC	700 White Plains Road #363 Scarsdale, NY 10583	Other	2.567%	1/1/2017	Taxable
Mamaroneck Towers L. P.	507 Taxter Road, Suite 673 Elmsford, NY 10523	Other	4.52%	12/31/2031	Tax Exempt
Mamaroneck Towers L. P.	507 Taxter Road, Suite 673 Elmsford, NY 10523	Other	SIFMA + 2.5%	6/30/2016	Tax Exempt
Mamaroneck Towers L. P.	507 Taxter Road, Suite 673 Elmsford, NY 10523	Other	1 month LIBOR + 3%	6/30/2016	Taxable
Petrillo Apartments, LLC	700 White Plains Road, Suite 363 Scarsdale, NY 10583	Other	3.05% - 4.81%	2/1/2053	Tax Exempt
Petrillo Apartments, LLC	700 White Plains Road, Suite 363 Scarsdale, NY 10583	Other	LIBOR + 2.4%	2/1/2018	Taxable

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 2015
DECEMBER 31, 2015

<u>Project</u>	<u>Project Address</u>	<u>Owner</u>	<u>Owner Address</u>
Five M Properties	122 Westmoreland Ave. White Plains, NY 10606	Five M Properties LLC	14 Gorham Road Scarsdale, NY 10583
Mamaroneck Self Storage	426 Waverly Avenue, Mamaroneck, NY 10543	Mamaroneck Self- Storage	416 Waverly Avenue, Mamaroneck, NY 10543
Saber Dobbs Ferry, LLC	Livingston Ave. at Lawrence St. at the Saw Mill River Parkway in Dobbs Ferry, NY	Saber Dobbs Ferry, LLC	80 Business Park Drive, Armonk, NY 10504
ASC	31 Mamaroneck Ave. White Plains, NY 10601	Arch Street Communications, Inc	7 Broad Street, Pawling, NY 12564
Gateway Kensington	15 Kensington Road, Bronxville, NY 10710	Gateway Kensington, LLC	1025 Westchester Avenue, White Plains, NY 10604
Saw Mill Lofts	400 Block, Saw Mill Road Hastings-on-Hudson	Saw Mill Lofts, LLC	100 Summit Lake Drive, Suite 235 Valhalla, NY 10595
SME	290 East Main Street, Elmsford, NY 10523	290 East Main Development, LLC	84 Business Park Drive, Suite 203 Armonk, NY 10504
White Marsh Holdings LLC	35 Livingstone Avenue Dobbs Ferry, NY 10522	Whitemarsh Hospitality LLC	15 Fishers Road, Suite 201 Pittsford, NY 14534

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>
\$ 2,500,000	\$ 75,150	\$ 13,000	-	5	4
3,387,148	7,350	-	-	4	-
53,483,000	3,831,249	830,552	-	600	-
52,650	10,000	-	-	4	8
60,000,000	1,328,400	546,000	-	8	-
14,400,000	380,780	299,000	-	3	-
26,960,000	650,000	249,000	-	3	-
17,000,000	1,200,000	200,000	-	50	-

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, 2015

Project	Project Address	Pilot Payments		
		Local	School	County
New York Life Insurance, Co.	1 Rockwood Road Sleepy Hollow, NY 10591	\$ 87,080	\$ 1,134,833	\$ 165,058
Levister Redevelopment Company, LLC	1 Eastchester Lane Mount Vernon, NY 10550	87,589	201,367	25,620
EB Armonk	90 Business Park Drive Armonk, NY 10504	53,163	222,500	48,704
Snowden House	35 Snowden Avenue Ossining, NY 10562	11,758	25,352	-
Westchester Wheelabrator	One Charles Point Avenue Peekskill, NY 10566	5,024,691	4,774,691	N/A
Avon Products, Inc.	601 Midland Avenue Rye, NY 10580	94,650	363,427	112,808
Pepsico, Inc.	700 Anderson Hill Road, Harrison, NY 10577	316,965	714,762	185,966
Bank Street Commons	10 Main Street White Plains, NY 10601	651,000	1,990,359	336,396
Life Time Fitness, Inc	1 Westchester Park Drive f/k/a Gannett Drive, Harrison	68,641	154,773	41,396
Cohen Brothers	333 Westchester Avenue White Plains, NY 10605	223,825	684,320	86,070
Bloomingdale Road Investors	100 Bloomingdale Road White Plains, NY 10601	331,221	1,012,671	171,155
LC White Plains, LLC (A)	1 City Center Place White Plains, NY 10601	574,136	1,755,358	296,678
City Center Residential, LLC (B)	1 City Center Place White Plains, NY 10601	163,660	500,372	84,569
SubTerrain Parking (C)	1 City Center Place White Plains, NY 10601	21,078	64,443	10,892
Kensico Terrace, LLC	24 South Kensico Terrace White Plains, NY 10601	11,061	33,817	5,716
1133 Westchester Avenue	1133 Westchester Avenue White Plains, NY 10605	582,146	889,923	300,817

See Independent Auditors' Report

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 (Continued)
DECEMBER 31, 2015

Project	Project Address	Pilot Payments		
		Local	School	County
LCOR 55 Bank Street	55 Bank Street White Plains, NY 10601	13,338	40,815	7,054
Symphony Knoll	15-17 Mount Airy Road Croton-on-Hudson, NY 10520	1	-	-
422 Warburton, LLC	422 Warburton Street Hastings-on-Hudson, NY 10706	676	2,051	274
Lafarge North America	350 Broadway, Buchanan, NY 10511	13,844	361,372	67,701
Fairview Housing/Greenburgh Housing	Oak Street/Manhattan Ave Greenburgh, NY 10607	48,075	121,998	25,505
Westchester Meadows Hebrew Hospital Home of Westchester, Westchester Inc. (Chapter 11 1-8-16)	61 Grasslands Road Valhalla, NY 10595	-	-	-
Kendal on Hudson	1010 Kendal Way Sleepy Hollow, NY 10591	398,013	527,342	74,948
Tarrytown Corporate Center	520 White Plains Road Greenburgh, NY 10591	248,520	859,797	131,848
Regeneron Pharmaceuticals, Inc.	777 Old Saw Mill River Road Tarrytown, NY 10591	202,176	301,227	122,951
EBC White Plains, LLC	305 North Street White Plains, NY 10605	88,326	270,046	45,641
Main Street WP Hotel Associates, LLC	250 Main Street White Plains, NY 10601	47,676	145,763	24,636
Magnetic Analysis Corporation	103 Fairview Park Drive Elmsford, NY 10523	26,671	39,737	14,150
Rye Manor, LLC	300 Theall Ave Rye, NY 10580	30,750	61,500	-
Renamba. LLC	9 Saxon Wood Road Scarsdale, NY 10583	2,497	8,999	2,179
507 North State Road, LLC	507 North State Road Briarcliff Manor, NY 10510	6,106	23,717	3,177
Harbor Square Crossing	101 Westerly Road Ossining, NY 10562	118,210	259,517	34,768

**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**

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 ("Agency") as of and for the year ended December 31, 2015, and the related notes to the financial statements and have issued our report thereon dated March 24, 2016.

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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 24, 2016

**Independent Accountants' Report on Compliance with Section 2925(3)(f)
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 ("Agency") compliance with Section 2925(3)(f) of the New York State Public Authorities Law during the year ended December 31, 2015. 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, 2015.

This report is intended solely for the information and use of management, the Board of Directors, officials of the County of Westchester, New York, 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.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
March 24, 2016