



BLOOM AND STREIT LLP
CERTIFIED PUBLIC ACCOUNTANTS

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

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 for the year ended December 31, 2015 and have issued our report thereon dated March 2, 2016. Professional standards require that we provide you with the following information related to our audit.

Our responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter to you, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

1. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.
2. As part of our audit, we considered the internal control of City of New Rochelle Corporation for Local Development. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.
3. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned scope and timing of the audit

We performed the audit to the planned scope and timing previously communicated to you.

Significant audit findings

Qualitative aspects of accounting practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by City of New Rochelle Corporation for Local Development are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the current year.

We noted no financial statement transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the functional allocation of expenses, calculation of deferred support and revenue, and useful lives of fixed assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and uncorrected misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Any misstatements were corrected by journal entries approved by management. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated March 2, 2016.

Management consultations with other independent accountants

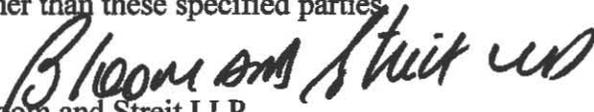
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

To the Board
City of New Rochelle Corporation for Local Development
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Other audit findings or issues

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

This information is intended solely for the use of the management of City of New Rochelle Corporation for Local Development and is not intended to be and should not be used by anyone other than these specified parties.



Bloom and Streit LLP
Certified Public Accountants
March 2, 2016

**CITY OF NEW ROCHELLE CORPORATION
FOR LOCAL DEVELOPMENT
(A COMPONENT UNIT OF
THE CITY OF NEW ROCHELLE)
FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

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ROGER BERMAN, CPA
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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, 2015 and 2014, 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, 2015 and 2014, 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 2, 2016

City of New Rochelle Corporation for Local Development Management's Discussion and Analysis (MD&A) December 31, 2015

Introduction

As management of the City of New Rochelle Corporation for Local Development ("CLD") we offer readers of the CLD's financial statements this narrative overview and analysis of the financial activities of the CLD for the fiscal year ended December 31, 2015. This discussion should be read in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section and is prepared pursuant to the requirements of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements for State and Local Governments*; Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

Organization

The City of New Rochelle Corporation for Local Development 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 CLD 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 CLD members have complete responsibility for management of the Agency and accountability for all fiscal matters.

The CLD is a separate entity and operates independently from the City of New Rochelle. However, because the City appoints its board of directors, the CLD is financially accountable to the City and is also included in the City's financial statements as a component unit.

Financial Highlights for Fiscal Year 2015

- The net position (assets and deferred outflows of resources, less liabilities) of the CLD for fiscal year 2015 was \$147,595. This represents an increase of \$134,102 over the prior year.
- Total revenues for fiscal year 2015 were \$148,707, an increase of \$145,981 over the prior year.
- Total expenses for fiscal year 2015 were \$14,605, an increase of \$1,095 over the prior year.

Overview of the Financial Statements

The CLD's financial statements are composed of this Management Discussion and Analysis (MD&A) and the basic financial statements. The MD&A provides an analysis and overview of the CLD's financial activities. This report also includes other supplementary information as listed in the table of contents.

Agency Financial Statements

The financial statements of the CLD are presented in a manner similar to private-sector business financial statements. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting and include three statements: Statement of Net Position, Statement of Activities, and Statement of Cash Flows.

The Statement of Net Position presents the CLD's total assets and liabilities with the difference reported as net position. Over time, increases or decreases in the net position may serve as a gauge as to whether the financial position of the CLD is improving or deteriorating.

The Statement of Activities presents information showing the change in the CLD's net position during the current fiscal year. All revenues and expenses are reported in this statement regardless of the timing of cash flows.

The Statement of Cash Flows presents information showing changes in the CLD's cash position during the current fiscal year. These changes are largely a result of changes in net position resulting from the above statements and changes in investment activities.

The agency financial statements can be found immediately following this discussion and analysis.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the agency financial statements. The notes can be found following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements. These include a schedule of budget to actual comparisons and a schedule of current year revenues and expenditures compared to the prior year.

Agency Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the agency's financial position. In the case of the CLD, assets exceeded liabilities by \$147,595 for fiscal year 2015.

The following table reflects the condensed Statement of Net Position compared to the prior year:

	<u>2015</u>	<u>2014</u>
Current Assets	\$ 150,595	\$ 16,493
Capital Assets	<u>0</u>	<u>0</u>
Total Assets	\$ 150,595	\$ 16,493
Current Liabilities	\$ 3,000	\$ 3,000
Long-term Liabilities	<u>0</u>	<u>0</u>
Total Liabilities	\$ 3,000	\$ 3,000
Net Position - Unrestricted	<u>\$ 147,595</u>	<u>\$ 13,493</u>

The increase in net position from the prior year is a result of fiscal year 2015 activities, where operating revenues exceeded expenses by \$134,103. This entire amount is unrestricted and available for future spending.

New Rochelle CLD Changes in Activities

	<u>2015</u>	<u>2014</u>
Revenues:		
Charges for Services	\$ 148,581	\$ 2,700
Interest and Misc. Income	<u>126</u>	<u>26</u>
Total Revenues	\$ 148,707	\$ 2,726
Expenditures:		
Contract/Consulting Services	\$ 13,000	\$ 13,000
Other	<u>1,605</u>	<u>510</u>
Total Expenses	\$ 14,605	\$ 13,510
Change in Net Position	\$ 134,103	\$(10,784)
Net Position – Beginning	<u>13,493</u>	<u>27,277</u>
Net Position – Ending	<u>\$ 147,595</u>	<u>\$ 13,493</u>

During 2015, the CLD closed on its first major transaction, the Iona College Dormitory project, which generated \$146,775 in one-time revenues. Total expenses, primarily comprised of the \$10,000 service contract with the City of New Rochelle, were slightly greater than the prior year. The net result of the Iona College transaction and operating expenses was a \$134,103 increase in the CLD's net position.

Budgetary Highlights

The CLD adopts an annual operating budget and reports the results of operations on a budgetary comparison basis.

In preparing its budget, the CLD attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. The FY 2015 budget anticipated the completion of one mid-size transaction at estimated fees of \$25,000. The much larger Iona College transaction contributed to a revenue surplus of \$120,057 over the budgeted amount. Expenses were \$705 (5%) greater than the adopted budget. The budget estimated that revenues would exceed expenses by \$14,750. Actual results of operations for the year produced an excess of \$134,103.

Requests for Information

This financial report is designed to provide a general overview of the CLD's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of New Rochelle Corporation for Local Development, City Hall, 515 North Avenue, New Rochelle, New York 10801.

CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

Statements of Net Position

As of December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash in Bank	150,557	15,682
Accounts Receivable	0	769
Prepaid Expenses	38	42
Total Current Assets	<u>150,595</u>	<u>16,493</u>
PROPERTY AND EQUIPMENT		
Total Property and Equipment	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>150,595</u>	<u>16,493</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Accounts Payable and Accrued Expenses	<u>3,000</u>	<u>3,000</u>
Total Liabilities	<u>3,000</u>	<u>3,000</u>
NET POSITION	<u>147,595</u>	<u>13,493</u>
TOTAL LIABILITIES AND NET POSITION	<u>150,595</u>	<u>16,493</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>2015</u>	<u>2014</u>
REVENUES		
Program Fees	146,775	0
Annual Service Fees	1,500	1,500
Application Fees	306	1,200
Interest Income	126	26
Total Revenues	<u>148,707</u>	<u>2,726</u>
EXPENDITURES		
Contract Services	10,000	10,000
Accounting and Legal Fees	3,000	3,000
Advertising and Marketing	522	0
Office Supplies, Printing and Postage	897	352
Insurance	186	158
Total Expenditures	<u>14,605</u>	<u>13,510</u>
Increase (Decrease) in Net Position	134,103	(10,784)
Net Position - Beginning of Year	<u>13,493</u>	<u>24,277</u>
Net Position - End of Year	<u>147,595</u>	<u>13,493</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>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Change in Net Position	134,103	(10,784)
Adjustments to reconcile change in net position to net cash provided (used) by operating activities:		
Decrease (Increase) in operating assets:		
Accounts Receivable	769	(600)
Prepaid Expenses	4	(42)
Increase (Decrease) in operating liabilities:		
Net cash provided (used) by operating activities	<u>134,875</u>	<u>(11,426)</u>
Increase (Decrease) in Cash and Cash Equivalents	134,875	(11,426)
Cash and Cash Equivalents at Beginning of Year	<u>15,682</u>	<u>27,108</u>
Cash and Cash Equivalents at End of Year	<u><u>150,557</u></u>	<u><u>15,682</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, 2015 and 2014

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, 2015 and 2014

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, 2015 and 2014.

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 \$148,581 and \$2,700 for providing this service for the year ended December 31, 2015 and 2014, respectively.

CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

Notes to Financial Statements

December 31, 2015 and 2014

Note 5

Subsequent Events

Management has evaluated subsequent events through March 2, 2016 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, 2015 and 2014 and have issued our report thereon dated March 2, 2016, 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 2, 2016**

CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

Schedule of Budget with Actual Operating Amounts

	Original Budget Year Ended <u>Dec. 31, 2015</u> (Unaudited)	Final Budget Year Ended <u>Dec. 31, 2015</u> (Unaudited)	Actual Year Ended <u>Dec. 31, 2015</u>	Variance Favorable (Unfavorable)
REVENUES				
Program Fees	25,000	25,000	146,775	121,775
Appropriation of Fund Balance	(14,750)	(14,750)	0	14,750
Application Fees	600	600	306	(294)
Annual Service Fees	3,000	3,000	1,500	(1,500)
Interest Income	50	50	126	76
Total Revenues	<u>13,900</u>	<u>13,900</u>	<u>148,707</u>	<u>134,807</u>
EXPENDITURES				
Contract Services	10,000	10,000	10,000	0
Accounting and Legal Fees	3,000	3,000	3,000	0
Advertising and Marketing	0	0	522	(522)
Office Supplies, Printing and Postage	600	600	897	(297)
Insurance	300	300	186	114
Total Expenditures	<u>13,900</u>	<u>13,900</u>	<u>14,605</u>	<u>(705)</u>
Increase in Net Position	<u>0</u>	<u>0</u>	<u>134,103</u>	<u>134,103</u>

See auditors' report on supplementary information

CITY OF NEW ROCHELLE CORP. FOR LOCAL DEVELOPMENT

Comparative Schedule of Actual Operating Amounts

	Actual Year Ended Dec. 31, 2015	Actual Year Ended Dec. 31, 2014
REVENUES		
Program Fees	146,775	0
Application Fees	306	1,200
Annual Service Fees	1,500	1,500
Interest Income	126	26
Total Revenues	<u>148,707</u>	<u>2,726</u>
EXPENDITURES		
Contract Services	10,000	10,000
Accounting and Legal Fees	3,000	3,000
Advertising and Marketing	522	0
Office Supplies, Printing and Postage	897	352
Insurance	186	158
Total Expenditures	<u>14,605</u>	<u>13,510</u>
Increase (Decrease) in Net Position	<u>134,103</u>	<u>(10,784)</u>

See auditors' report on supplementary information