

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the
City of New Rochelle, New York)

Financial Statements
and Supplementary Information

Years Ended December 31, 2022 and 2021

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

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Independent Auditors' Report

The Board of Directors of the New Rochelle Industrial Development Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the New Rochelle Industrial Development Agency, (a discretely presented component unit of the City of New Rochelle, New York) ("Agency"), as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of December 31, 2022 and 2021 and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 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.

Other Supplementary Information

Management is responsible for the other supplementary information included in the annual financial report. The other supplementary information consists of the Schedule of Budget with Actual Operating Amounts, Statement of Indebtedness - Bonds and Notes and Statement of Straight Lease Transactions Executed in 2022 but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023 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 solely 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 effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 24, 2023

New Rochelle Industrial Development Agency
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Management's Discussion and Analysis (Unaudited)
For the year ended December 31, 2022

The following is a discussion and analysis of the New Rochelle Industrial Development Agency ("Agency") financial performance for the fiscal year ended December 31, 2022. The section is a summary of the Agency's financial activities based on currently known facts, decisions, or conditions. This section is only an introduction and should be read in conjunction with the Agency's financial statements, which immediately follow this section.

Organization

The New Rochelle Industrial Development Agency is a public benefit corporation created in 1977 pursuant to Section 908-b of the New York State General Municipal Law. Its seven-member governing board is appointed by the New Rochelle City Council to three-year terms. Presently, a member of the New Rochelle City Council serves as the Agency's Vice Chair and the City Manager of the City of New Rochelle serves as the Agency's Chair. A representative from the New Rochelle School District serves on the board as well as four other residents of the City of New Rochelle.

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

Financial Highlights

- During the current year of operations, the Agency's net position decreased by \$490,487
- Total revenues for the fiscal year 2022 were \$604,773, a decrease of \$469,302 or -43.7%
- Total expenses for fiscal year 2022 were \$1,095,260, an increase of \$564,902 or 106.5% from the prior year

Overview of the Financial Statements

The basic financial statements include the statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and notes to the financial statements. The Agency also includes in this report additional information to supplement the basic financial statements.

The first of these statements is the Statement of Net Position. This is the statement of financial position presenting information that includes all of the Agency's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency as a whole is improving or deteriorating. Evaluation of the overall economic health of the Agency must include other non-financial factors such as the economic picture of the City and the State, in addition to the financial information provided in this report.

The second statement is the Statement of Revenues, Expenses and Changes in Net Position, which reports how the Agency's net position changed during the current and previous fiscal period. Revenues and expenses are included when earned or incurred, regardless of when cash is received or paid.

The third statement is the Statement of Cash Flows, which shows the sources and uses of cash.

The accompanying Notes to the Financial Statements provide information essential to a full understanding of the financial statements.

Below is a summary of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position for the years ended December 31, 2022 and 2021:

Summary of Net Position

	2022	2021	Dollar Change	Percent Change
Current assets	\$ 811,680	\$ 1,230,536	\$ (418,856)	-34.0%
Total assets	811,680	1,230,536	(418,856)	-34.0%
Current liabilities	107,160	35,529	71,631	201.6%
Total liabilities	107,160	35,529	71,631	201.6%
Net position: Unrestricted	<u>\$ 704,520</u>	<u>\$ 1,195,007</u>	<u>\$ (490,487)</u>	<u>-41.0%</u>

Summary of Changes in Net Position

	Fiscal Year		Dollar Change	Percent Change
	2022	2021		
Revenues:				
Charges for services	\$ 547,166	\$ 1,054,890	\$ (507,724)	-48.1%
Service income	56,500	18,000	38,500	213.9%
Miscellaneous income	975	1,036	(61)	-5.9%
Interest income	132	149	(17)	-11.4%
Total revenues	<u>604,773</u>	<u>1,074,075</u>	<u>(469,302)</u>	<u>-43.7%</u>
Expenses:				
Personnel services and benefits	201,725	201,734	(9)	0.0%
Professional services	219,966	69,762	150,204	215.3%
Memberships and subscriptions	2,429	1,122	1,307	116.5%
Advertising	10,698	7,740	2,958	38.2%
Miscellaneous expenses	500	-	500	100.0%
Job Training	331,408	250,000	81,408	32.6%
Tactical Urbanism	328,534	-	328,534	100.0%
Total expenses	<u>1,095,260</u>	<u>530,358</u>	<u>564,902</u>	<u>106.5%</u>
Change in net position	<u>\$ (490,487)</u>	<u>\$ 543,717</u>	<u>\$ (1,034,204)</u>	<u>-190.2%</u>

Budgetary Highlights

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

During 2022, twenty-three total transactions were consummated, four of which constituted a closing of an approved project: Allstate Capitol LLC (8 Westchester Place); North Avenue L/CAL LLC (247 North Ave); MJ Garden V LLC (26 Garden Phase II); and Allstate Acquisitions LLC (316 Huguenot). The remaining nineteen constituted smaller transactions such as terminations, refinancing and sales tax exemption extension transactions. Of the four projects that closed in 2022, two were approved in 2020 and two were approved in 2021. All twenty-three projects resulted in a total transaction fee of \$547,166 to the Agency. The net impact of the projects that closed in 2022 is a decrease of \$507,724 from the prior year total. Annual service, application and other fees increased by \$38,439 while interest income decreased slightly from the prior year by \$17. Three additional projects are anticipated to close in 2023 with an estimated transaction fee of \$178,969, which constitutes a 40% split of the transaction fee with the Corporation for Local Development, pursuant to the adoption of the Unified Joint Application and fee schedule

In preparing its budget, the Agency attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. The original FY 2022 budget anticipated the completion of four new transactions at estimated transaction fees of \$397,763. Twenty-three transactions, including smaller transactions such as refinancing and terminations, were concluded in 2022 generating transaction fees of \$547,166, with three additional projects anticipated to close in 2023 with an estimated transaction fee of approximately \$178,969.

The adopted FY 2022 budget anticipated a deficiency of \$540,037 to the fund balance to finance estimated expenditures of \$991,000. Actual revenues were \$604,641 or 34% greater than budget. Actual expenditures were \$1,095,260 or 11% more than original budget. The fund balance in FY 2022 decreased by \$490,487 available reserves for future years from \$1,195,007 to \$704,520.

Economic Factors

The Agency will continue to look for funding opportunities to further its mission of promoting local development. Each year, the Agency will evaluate opportunities for investment of its resources in furthering this mission.

Contacting Administration

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Agency's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact the New Rochelle Industrial Development Agency's Board at City Hall, 515 North Avenue, New Rochelle, New York.

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Comparative Statement of Net Position

December 31,

	2022	2021
ASSETS		
Cash and equivalents	\$ 802,846	\$ 1,186,882
Accounts receivable	8,473	43,293
Prepaid expense	361	361
Total Assets	<u>\$ 811,680</u>	<u>\$ 1,230,536</u>
LIABILITIES		
Accounts payable	\$ 107,160	\$ 35,529
NET POSITION		
Unrestricted	<u>704,520</u>	<u>1,195,007</u>
Total Liabilities and Net Position	<u>\$ 811,680</u>	<u>\$ 1,230,536</u>

See notes to financial statements

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Comparative Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31,

	2022	2021
OPERATING REVENUES		
Charges for services	\$ 547,166	\$ 1,054,890
Service income	56,500	18,000
Miscellaneous income	975	1,036
Total Operating Revenues	604,641	1,073,926
OPERATING EXPENSES		
Personnel services and benefits	201,725	201,734
Professional services	219,966	69,762
Memberships and subscriptions	2,429	1,122
Advertising	10,698	7,740
Miscellaneous expenses	500	-
Job training	331,408	250,000
Tactical urbanism downtown initiatives	328,534	-
Total Operating Expenses	1,095,260	530,358
Income (Loss) from Operations	(490,619)	543,568
NON-OPERATING REVENUES		
Interest income	132	149
Change in Net Position	(490,487)	543,717
NET POSITION		
Beginning of year	1,195,007	651,290
Ending of year	\$ 704,520	\$ 1,195,007

See notes to financial statements

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Comparative Statement of Cash Flows
Year Ended December 31,

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and fees	\$ 639,461	\$ 1,057,603
Cash paid for personal services and fringe benefits	(201,725)	(201,734)
Cash paid for administrative costs	(821,904)	(392,656)
Net Cash from Operating Activities	(384,168)	463,213
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	132	149
Net Change in Cash and Equivalents	(384,036)	463,362
CASH AND EQUIVALENTS		
Beginning of Year	1,186,882	723,520
End of Year	\$ 802,846	\$ 1,186,882
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ (490,619)	\$ 543,568
Changes in operating assets and liabilities		
Accounts receivable	34,820	(16,323)
Accounts payable	71,631	(64,032)
Net Cash From Operating Activities	\$ (384,168)	\$ 463,213

See notes to financial statements

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New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements

December 31, 2022

Note 1 - Organization and Purpose

The New Rochelle Industrial Development Agency ("Agency"), a corporate governmental agency constituting a public benefit corporation, was created to assist the City of New Rochelle, New York ("City") in financing projects within the City limits that would enhance the social and economic fabric of the City. Although members of the Agency are appointed by the City Council, the Agency members have complete responsibility for management of the Agency and accountability for all fiscal matters. The Agency is governed by Article 18-A of the General Municipal Law of the State of New York. The Agency is exempt from Federal, State and Local income taxes.

Note 2 - Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Agency has been identified as an organization related to the City. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61, the Agency's financial statements have been discretely presented in the City's financial statements.

B. Basis of Accounting

The financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America 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 distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Agency's principal ongoing operation. The principle operating revenue of the Agency is rental of real property and administration fees. Operating expenses include personnel services and benefits, professional fees and planning services. All revenue and expenses not meeting the definition are reported as non-operating revenues and expenses.

C. Assets and Net Position

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Agency's deposits and investment policies are governed by State statutes. The Agency has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Agency is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements (Continued)

December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal depository insurance. The Agency has entered into custodial agreements with the various banks 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.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Agency follows the provisions of GASB Statement No. 72, "*Fair Value Measurement and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Agency does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Agency's name. The Agency's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2022.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Agency does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Agency's investment policy limits the amount on deposit at each of its banking institutions.

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements (Continued)

December 31, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Agency receives closing fees for bond and note issues as well as straight lease transactions expected savings on mortgage recording and sales and use taxes exemptions. These closing fees, as further described in Note 4, are recognized as revenue upon issuance of bonds and notes or closing on straight leases. Application and other administrative fees are recognized when services are rendered.

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Agency or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

D. 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.

E. 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, 2023.

Note 3 - New Accounting Pronouncement

GASB Statement No. 87, "Leases", established a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. This statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset and a lessor to recognize a lease receivable and a deferred inflow of resources. The requirements of GASB Statement No. 87 are effective for the Agency's fiscal year ended December 31, 2022. The Agency has completed its evaluation of the financial impact of GASB Statement No. 87 and determined that the implementation of this standard was not required as it did not have a material impact on its financial statements.

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements (Concluded)

December 31, 2022

Note 4 - Conduit Debt Obligations, Revenue Bonds and Notes and Straight Lease Transactions

The Agency has issued Revenue Bonds to local for-profit organizations, which provides the organizations the opportunity to utilize tax-exempt financing for eligible projects. The bonds and notes are not obligations of the Agency or the State. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the facilities transfers to the non-profit organization serviced by the bond issuance. 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 therefrom 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 Agency's fee is one half of one percent for the first \$10 million and one fourth of one percent of the amount over \$10 million for for-profit corporations. Such administrative fee income is recognized immediately upon issuance of bonds and notes or closing on leases.

As of December 31, 2022, there were two series of Revenue Bonds outstanding, with an aggregate principal amount payable of \$36,273,856.

Note 5 - Recently Issued GASB Pronouncements

GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. This Statement defines a SBITA and establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding liability. The Statement also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, as well as detailing the requirements for note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Agency believes will most impact its financial statements. The Agency will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

SUPPLEMENTARY INFORMATION

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Schedule of Budget with Actual Operating Amounts

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES				
Charges for services	\$ 397,763	\$ 397,763	\$ 547,166	\$ 149,403
Application fees	3,000	3,000	-	(3,000)
Service income	50,000	50,000	56,500	6,500
Miscellaneous income	-	-	975	975
Total Operating Revenues	450,763	450,763	604,641	153,878
OPERATING EXPENSES				
Personnel services and benefits	202,000	202,000	201,725	275
Professional services	264,000	298,000	219,966	78,034
Memberships and subscriptions	3,000	3,000	2,429	571
Office supplies	1,000	1,000	-	1,000
Advertising	13,000	13,000	10,698	2,302
Travel and conferences	2,000	2,000	-	2,000
Miscellaneous expenses	1,000	1,000	500	500
Job training	250,000	352,573	331,408	21,165
Tactical urbanism downtown initiatives	255,000	350,000	328,534	21,466
Total Operating Expenses	991,000	1,222,573	1,095,260	127,313
Income (Loss) from Operations	(540,237)	(771,810)	(490,619)	281,191
NON-OPERATING REVENUES				
Interest income	200	200	132	(68)
Excess (deficiency) of revenues over expenses	(540,037)	(771,610)	(490,487)	281,123
NET POSITION				
Beginning of Year	540,037	771,610	1,195,007	423,397
End of Year	\$ -	\$ -	\$ 704,520	\$ 704,520

See independent auditors' report

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Supplementary Information

Statement of Indebtedness - Bonds and Notes

December 31, 2022

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2022	Retired in 2022
West End Phase I 180 Union Avenue Owner LP 180 Union Avenue New Rochelle, NY 10801	12/06	01/40	2.34%	\$ 19,000,000	\$ 17,200,000	\$ 225,000
MacLeay Apartments 550 Fifth Avenue Owner LP c/o NDR 184 Union Avenue New Rochelle, NY 10801	09/07	03/24	5.65%	\$ 9,000,000	6,940,000	\$ 235,000
Maple Terrace Maple Terrace LLC 700 White Plains Rd. Suite 363 Scarsdale, NY 10583	06/14	06/49	4.47%	\$ 7,000,000	6,271,022	\$ 118,100
Carrington Arms Carrington Arms LLC 700 White Plains Rd. Suite 363 Scarsdale, NY 10583	12/13	12/50	2.80%	11,000,000	6,528,823	\$ 87,889

Project Purpose Codes

1 - Services

2 - Construction

3 - Agriculture, Forestry and Fishing

4 - Wholesale Trade

5 - Retail Trade

6 - Finance, Insurance and Real Estate

7 - Transportation, Communication, Electric, Gas and Sanitary Services

8 - Other

9 - Manufacturing

See independent auditors' report.

<u>Balance at 12/31/2022</u>	<u>Project Purpose Code</u>	<u>Federal Tax Status</u>	<u>Not-for-profit</u>
\$ 16,975,000	6	Exempt	No
\$ 6,705,000	6	Exempt	No
\$ 6,152,922	6	Exempt	No
\$ 6,440,934	8	Exempt	No

New Rochelle Industrial Development Agency

(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Supplementary Information

Statement of Indebtedness - Straight Lease

December 31, 2022

Project Name	Project Address
Skyline	40 Memorial Hwy.
AVALON-Retail I - 255 Huguenot Owner LLC	1 Shearwood Place / 255 Huguenot Street
West End Phase I	180 Union Avenue
Macleay (Larchmont Woods)	550 Fifth Avenue
Lincoln Renaissance Apartments LLC	116 Guion Place
Hammel 1	32 Burling Lane
Hammel 2	48 Burling Lane
The Printhouse	165 Huguenot Street
Public Storage	22 Plain Avenue
17 LOCUST AVENUE	17 Locust Avenue / 30 Locust Avenue
JEM Architecturals	37 Cliff Street
RXR 587 Main Street	587 Main Street (360 Huguenot)
The Standard	251 North Avenue
70 Nardozzi LLC	70 Nardozzi Place
Millennia	pari
New Ro Studios	11 Burling Lane
277 NR Principal LLC	277 North Avenue (285 North Ave)
381-383 Huguenot LLC	393 Huguenot Street
Moderat New Rochelle	111 Centre Ave. FKA 24 Maple Avenue
NORTH AVENUE EAST LLC	583 North Avenue (585 North)
The Stella	14 Lecount Place
3 Thirty 3	339 Huguenot Street
One Clinton Park	55 Clinton / 26 Division
Highgarden Tower LLC	11 Garden Street
BRP 10 Commerce	10 Commerce Drive
Lincoln Renaissance Apartments LLC	116 Guion Place
Monarch Development - 11 Mill Road	11 Mill Road
New Rochelle Birch Development LLC	2 Birch Street
WBLM 25 Maple OZ Owner LLC	25 Maple Avenue

See independent auditors' report.

Tax Exemptions				
Real Property Tax			Total	
County	Local	School	Exemptions	
\$ 761,994	\$ 1,540,403	\$ 5,277,082	\$ 7,579,479	
517,293	1,045,730	1,784,601	3,347,624	
26,216	52,997	181,555	260,768	
122,806	233,176	795,856	1,151,838	
69,518	129,401	450,516	649,435	
8,800	17,790	60,943	87,533	
10,788	21,809	74,713	107,310	
24,122	45,801	156,326	226,249	
33,752	68,231	233,744	335,727	
39,855	75,674	258,285	373,814	
7,448	14,142	48,270	69,860	
153,541	291,532	995,031	1,440,104	
42,743	81,157	277,000	400,900	
22,293	42,328	144,470	209,091	
42,403	80,512	274,798	397,713	
26,710	50,714	173,093	250,517	
18,026	34,227	116,821	169,074	
12,153	23,074	78,756	113,983	
29,532	56,073	191,385	276,990	
67,270	127,728	435,951	630,949	
65,337	124,056	423,418	612,811	
36,223	68,777	234,743	339,743	
83,500	158,544	541,128	783,172	
2,019	3,833	13,084	18,936	
14,831	28,161	96,116	139,108	
6,344	12,046	41,114	59,504	
7,318	13,894	47,423	68,635	
12,251	23,261	79,391	114,903	
21,300	40,442	138,034	199,776	

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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

**The Board of Directors of the
New Rochelle Industrial Development Agency**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of New Rochelle Industrial Development Agency (a discretely presented component unit of the City of New Rochelle, New York) ("Agency"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 24, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, 2023