

NEW ROCHELLE INDUSTRIAL
DEVELOPMENT AGENCY

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

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

December 31, 2023 and 2022

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
New Rochelle Industrial Development Agency:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the New Rochelle Industrial Development Agency (the Agency), a discretely presented component unit of the City of New Rochelle, New York, as of and for the year ended December 31, 2023 and the related notes to financial statements, which collectively comprise the Agency's basic 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 financial position of the Agency, as of December 31, 2023, and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 opinion.

Prior Period Financial Statements

The financial statements as of December 31, 2022, were audited by other auditors whose report dated March 24, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 opinion. 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying other supplementary information as listed in the table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 3, 2024, 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 3, 2024

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Management's Discussion and Analysis

December 31, 2023 and 2022

The following is a discussion and analysis of the New Rochelle Industrial Development Agency's (the Agency) financial performance for the years ended December 31, 2023 and 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 basic financial statements, which immediately follow this section.

Organization

The 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 City of New Rochelle's, New York, (the City) City Council to three-year terms. Presently, a member of the City Council serves as the Agency's Vice Chair and the City Manager of the City serves as the Agency's Chair. A representative from the City School District of New Rochelle serves on the board as well as four other residents of the City.

The Agency is a separate entity and operates independently from the City. 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 discretely presented component unit.

Financial Highlights

- During 2023 and 2022, the Agency's net position decreased by \$239,121 and \$490,487, respectively.
- Total revenue for 2023 and 2022 was \$178,924 and \$604,773, respectively.
- Total expenses for 2023 and 2022 were \$418,045 and \$1,095,260, respectively.

Overview of the Financial Statements

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

The statements of net position presents 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 of New York, in addition to the financial information provided in this report.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Management's Discussion and Analysis, Continued

The statements of revenue, expenses and changes in net position report how the Agency's net position changed during the current and previous fiscal period. Revenue and expenses are included when earned or incurred, regardless of when cash is received or paid.

The statements of cash flows show the sources and uses of cash.

The accompanying notes to financial statements provide information essential to a full understanding of the financial statements.

Below is a summary of the statements of net position and the statements of revenue, expenses and changes in net position for the years ended December 31, 2023 and 2022, with 2021 presented for comparative totals:

Summary of the Statements Net Position

	<u>2023</u>	<u>Dollar Change</u>	<u>2022</u>	<u>Dollar Change</u>	<u>2021</u>
Assets	\$ 493,619	(318,061)	811,680	(418,856)	1,230,536
Liabilities	<u>28,220</u>	<u>(78,940)</u>	<u>107,160</u>	<u>71,631</u>	<u>35,529</u>
Net position	<u>\$ 465,399</u>	<u>(239,121)</u>	<u>704,520</u>	<u>(490,487)</u>	<u>1,195,007</u>

Summary of the Statements of Revenue, Expenses and Changes in Net Position

	<u>2023</u>	<u>Dollar Change</u>	<u>2022</u>	<u>Dollar Change</u>	<u>2021</u>
Revenue:					
Charges for services	\$ 107,825	(439,341)	547,166	(507,724)	1,054,890
Service income	64,000	7,500	56,500	38,500	18,000
Miscellaneous income	1,200	225	975	(61)	1,036
Interest income	<u>5,899</u>	<u>5,767</u>	<u>132</u>	<u>(17)</u>	<u>149</u>
Total revenue	<u>178,924</u>	<u>(425,849)</u>	<u>604,773</u>	<u>(469,302)</u>	<u>1,074,075</u>

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Management's Discussion and Analysis, Continued

Summary of the Statements of Revenue, Expenses and Changes in Net Position, Continued

	<u>2023</u>	<u>Dollar Change</u>	<u>2022</u>	<u>Dollar Change</u>	<u>2021</u>
Expenses:					
Personnel services and benefits	\$ 201,725	-	201,725	(9)	201,734
Professional services	129,888	(90,078)	219,966	150,204	69,762
Memberships and subscriptions	2,125	(304)	2,429	1,307	1,122
Advertising	11,250	552	10,698	2,958	7,740
Travel and conferences	626	626	-	-	-
Job training	-	(331,408)	331,408	81,408	250,000
Tactical urbanism downtown initiatives	72,431	(256,103)	328,534	328,534	-
Miscellaneous expenses	-	(500)	500	500	-
Total expenses	<u>418,045</u>	<u>(677,215)</u>	<u>1,095,260</u>	<u>564,902</u>	<u>530,358</u>
Change in net position	<u>\$ (239,121)</u>	<u>251,366</u>	<u>(490,487)</u>	<u>(1,034,204)</u>	<u>543,717</u>

Assets decreased in 2023 and 2022 as a result of the decrease in net position. Liabilities changed in 2023 and 2022 due to the timing of accounts payable.

Charges for services decreased by \$439,341 and \$507,724 in 2023 and 2022, respectively, primarily as a result of a higher number of transaction fees received in 2022 including the addition of the social equity fee.

Over the past two years professional services, job training and tactical urbanism downtown initiatives have experienced large variances.

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 UCAL, 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.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)
Management's Discussion and Analysis, Continued

In preparing its budget, the Agency attempts to estimate its revenue using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner.

The original 2023 budget anticipated the completion of three new transactions at estimated transaction fees of \$178,969, which constitutes a 40% split of the transaction fee with the City of New Rochelle Corporation for Local Development, pursuant to the adoption of the unified joint application and fee schedule. Unfortunately, none of the three anticipated projects were complete in 2023. However, twelve smaller transactions, including refinancing's sales tax exemption extensions, and assignments and terminations, were concluded in 2023 generating transaction fees of \$107,325. The 2024 budget anticipates four additional projects to close in 2024 with an estimated transaction fee of approximately \$217,799.

The adopted 2023 budget anticipated a deficiency of \$117,481 to the net position to finance estimated expenditures of \$357,250. Actual revenue was \$60,845 less than budget. Actual expenditures were \$21,636 less than budget.

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. High interest rates will continue to contribute high interest income for the Agency, while resulting in uncertain economic trends for commercial development.

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 Agency's Board of Directors 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)
Statements of Net Position
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and equivalents	\$ 487,784	802,846
Accounts receivable	5,835	8,473
Prepaid expenses	<u>-</u>	<u>361</u>
Total assets	<u>\$ 493,619</u>	<u>811,680</u>
<u>Liabilities and Net Position</u>		
Liabilities - accounts payable	28,220	107,160
Net position - unrestricted	<u>465,399</u>	<u>704,520</u>
Total liabilities and net position	<u>\$ 493,619</u>	<u>811,680</u>

See accompanying notes to financial statements.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)
Statements of Revenue, Expenses and Changes in Net Position
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
Charges for services	\$ 107,825	547,166
Service income	64,000	56,500
Miscellaneous income	<u>1,200</u>	<u>975</u>
Total operating revenue	<u>173,025</u>	<u>604,641</u>
Operating expenses:		
Personnel services and benefits	201,725	201,725
Professional services	129,888	219,966
Memberships and subscriptions	2,125	2,429
Advertising	11,250	10,698
Travel and conferences	626	-
Job training	-	331,408
Tactical urbanism downtown initiatives	72,431	328,534
Miscellaneous expenses	<u>-</u>	<u>500</u>
Total operating expenses	<u>418,045</u>	<u>1,095,260</u>
Loss from operations	(245,020)	(490,619)
Nonoperating revenue - interest income	<u>5,899</u>	<u>132</u>
Change in net position	(239,121)	(490,487)
Net position at beginning of year	<u>704,520</u>	<u>1,195,007</u>
Net position at end of year	<u><u>\$ 465,399</u></u>	<u><u>704,520</u></u>

See accompanying notes to financial statements.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)
Statements of Cash Flows
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from charges for services and fees	\$ 175,663	639,461
Cash paid for personnel services and benefits	(201,725)	(201,725)
Cash paid for administrative costs	<u>(294,899)</u>	<u>(821,904)</u>
Net cash used in operating activities	(320,961)	(384,168)
Cash flows from investing activities - interest income	<u>5,899</u>	<u>132</u>
Change in cash and equivalents	(315,062)	(384,036)
Cash and equivalents at beginning of year	<u>802,846</u>	<u>1,186,882</u>
Cash and equivalents at end of year	<u><u>\$ 487,784</u></u>	<u><u>802,846</u></u>
Reconciliation of loss from operations to net cash used in operating activities:		
Loss from operations	(245,020)	(490,619)
Changes in:		
Accounts receivable	2,638	34,820
Prepaid expenses	361	-
Accounts payable	<u>(78,940)</u>	<u>71,631</u>
Net cash used in operating activities	<u><u>\$ (320,961)</u></u>	<u><u>(384,168)</u></u>

See accompanying notes to financial statements.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements

December 31, 2023 and 2022

(1) Organization and Purpose

The New Rochelle Industrial Development Agency (the Agency), a corporate governmental agency constituting a public benefit corporation, was created to assist the City of New Rochelle, New York, (the City) in financing projects within 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 State). The Agency is exempt from Federal, State and Local income taxes.

(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 Governmental Accounting Standards, the Agency is reported as a discretely presented component unit of the City.

(b) Basis of Accounting

The financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). 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, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

The Agency distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the Agency's principal ongoing operations. 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 these definitions are reported as nonoperating revenue and expenses.

(c) 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.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents, Continued

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 Federal Deposit Insurance Corporation (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.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC 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.

Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of the 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. The three levels of the fair value hierarchy are described below:

- 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.

Interest rate risk is the risk that the Agency 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 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. As of December 31, 2023 and 2022, the Agency had no deposits exposed to custodial credit risk.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Cash and Equivalents, Continued

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.

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.

(d) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectable amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written-off through a charge to the valuation allowance and a credit to receivables.

(e) 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 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.

(f) Net Position

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 increased or reduced by outstanding balances of bonds and other debt and related components that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position - consists of net position for which 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.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(f) Net Position, Continued

Unrestricted Net Position - consists of net position that does not meet the definition of the two preceding categories. The Agency had only unrestricted net position as of December 31, 2023 and 2022.

(g) Use of Estimates

The preparation of the financial statements in accordance with GAAP 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 revenue and expenses during the reporting period. Actual results could differ from these estimates.

(h) Subsequent Events

The Agency has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(3) 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 properties financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the properties 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, 2023 and 2022, there were four Revenue Bonds outstanding, with an aggregate principal amount payable of \$35,567,117 and \$36,273,856, respectively, which are due through 2050.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)

Notes to Financial Statements, Continued

(4) Contingency

The Agency is involved in several lawsuits that arise from the normal course of its affairs. Management believes that the outcome of any matters will not have a material effect on these financial statements.

(5) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

Statement No. 102 - Certain Risk Disclosures. Effective for fiscal years beginning after June 15, 2024.

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)
Other Supplementary Information
Schedule of Revenue, Expenses and Changes in Net Position - Budget to Actual
Year ended December 31, 2023

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Operating revenue:				
Charges for services	\$ 178,969	178,969	107,825	(71,144)
Application fees	600	600	-	(600)
Service income	60,000	60,000	64,000	4,000
Miscellaneous income	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>1,200</u>
Total operating revenue	<u>239,569</u>	<u>239,569</u>	<u>173,025</u>	<u>(66,544)</u>
Operating expenses:				
Personnel services and benefits	202,000	201,725	201,725	-
Professional services	140,250	131,119	129,888	1,231
Memberships and subscriptions	3,000	2,125	2,125	-
Office supplies	2,000	-	-	-
Advertising	8,000	14,979	11,250	3,729
Travel and conferences	2,000	626	626	-
Job training	-	16,676	-	16,676
Tactical urbanism downtown initiatives	<u>-</u>	<u>72,431</u>	<u>72,431</u>	<u>-</u>
Total operating expenses	<u>357,250</u>	<u>439,681</u>	<u>418,045</u>	<u>21,636</u>
Loss from operations	(117,681)	(200,112)	(245,020)	(44,908)
Nonoperating revenue - interest income	<u>200</u>	<u>200</u>	<u>5,899</u>	<u>5,699</u>
Change in net position	<u>\$ (117,481)</u>	<u>(199,912)</u>	<u>(239,121)</u>	<u>(39,209)</u>
Net position at beginning of year			<u>704,520</u>	
Net position at end of year			<u>\$ 465,399</u>	

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)
Other Supplementary Information
Statement of Indebtedness - Bonds and Notes
Year ended December 31, 2023

Project Name Owner Name and Address	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance at 1/1/2023	Retired in 2023	Balance at 12/31/2023	Project Purpose Code	Federal Tax Status	Not-for-profit
West End Phase I 180 Union Avenue Owner L.P. 180 Union Avenue New Rochelle, NY 10801	12/2006	01/2040	2.34%	\$19,000,000	16,975,000	235,000	16,740,000	1	Exempt	No
MacLeay Apartments 550 Fifth Avenue Owner L.P. c/o NDR 184 Union Avenue New Rochelle, NY 10801	09/2007	03/2024	5.65%	9,000,000	6,705,000	255,000	6,450,000	1	Exempt	No
Maple Terrace Maple Terrace, LLC 700 White Plains Rd. Suite 363 Scarsdale, NY 10583	06/2014	06/2049	4.47%	7,000,000	6,152,922	123,531	6,029,391	1	Exempt	No
Carrington Arms Carrington Arms, LLC 700 White Plains Rd. Suite 363 Scarsdale, NY 10583	12/2013	12/2050	2.80%	11,000,000	6,440,934	93,208	6,347,726	2	Exempt	No
					<u>\$36,273,856</u>	<u>706,739</u>	<u>35,567,117</u>			

Project Purpose Codes

1 - Finance, Insurance and Real Estate

2 - Other

NEW ROCHELLE INDUSTRIAL DEVELOPMENT AGENCY
(A Discretely Presented Component Unit of the City of New Rochelle, New York)
Other Supplementary Information
Statement of Indebtedness - Straight Leases
Year ended December 31, 2023

<u>Project Name</u>	<u>Project Address</u>	<u>Tax Exemptions</u>			
		<u>County</u>	<u>Local</u>	<u>School</u>	<u>Total Exemptions</u>
Skyline	40 Memorial Highway	\$ 736,912	1,604,959	5,312,092	7,653,963
AVALON-Retail I-255 Huguenot Owner, LLC	1 Shearwood Place / 255 Huguenot Street	495,565	1,079,318	3,572,325	5,147,208
West End Phase I	180 Union Avenue	25,353	55,218	182,760	263,331
MacLeay (Larchmont Woods)	550 Fifth Avenue	111,549	242,948	804,108	1,158,605
Hammel 1	32 Burling Lane	8,510	18,535	61,347	88,392
Hammel 2	48 Burling Lane	10,433	22,723	75,209	108,365
165 Huguenot (East and Hudson)	165 Huguenot Street	22,657	47,721	157,947	228,325
Banner Storage	22 Plain Avenue	32,641	71,090	235,295	339,026
McDormy NY, LLC	17 Locust Avenue / 30 Locust Avenue	37,434	78,846	260,963	377,243
37 Cliff Street Realty, LLC	37 Cliff Street	6,996	14,735	48,770	70,501
RXR 587 Main Owner, LLC	587 Main Street (360 Huguenot Street)	144,212	303,749	1,005,349	1,453,310
70 Nardozzi, LLC	70 Nardozzi Place	27,910	56,421	194,567	278,898
The Millennia NR, LLC	20 Burling Lane	39,827	80,512	277,647	397,986
The Residence NR, LLC	11 Burling Lane	25,087	50,714	174,888	250,689
277 NR Principal, LLC	277 North Avenue (285 North Avenue)	16,931	34,227	118,032	169,190
381-383 Huguenot, LLC	393 Huguenot Street	22,829	46,149	159,145	228,123
Madera New Rochelle	111 Centre Avenue FKA 24 Maple Avenue	110,737	223,859	771,980	1,106,576
North Avenue East, LLC	583 North Avenue (585 North Avenue)	63,183	127,728	440,471	631,382
WBLM 14 Lecount Owner, LLC	14 Lecount Place	61,367	124,056	427,808	613,231
RFMCH Huguenot Property Owner, LLC	339 Huguenot Street	110,184	222,743	768,129	1,101,056
RXR Church-Division Tower A Holdings, LLC	55 Clinton Place / 26 Division Street	156,903	317,186	1,093,819	1,567,908
Georgica Green Ventures	11 Garden Street	63,944	129,266	445,776	638,986
BRP 10 Commerce	10 Commerce Drive	70,719	142,962	493,006	706,687
Lincoln Renaissance Apartments, LLC	116 Guion Place	11,046	22,330	77,005	110,381
Monarch Coopers Corner Prop Co, LLC	11 Mill Road	41,975	84,854	292,621	419,450
New Rochelle Birch Development, LLC	2 Birch Street	28,229	57,066	196,792	282,087
WBLM 25 Maple OZ Owner, LLC	25 Maple Avenue	80,145	162,017	558,717	800,879
50 LeCount Place, LLC	50 LeCount Place	33,322	70,185	232,300	335,807
Standard Star Associates	50 LeCount Place	6,824	14,373	47,572	68,769
RFMCH Huguenot Property Owner, LLC II	327 Huguenot Street	60,784	122,877	423,744	607,405
57 Grand - The Luxuria NR, LLC	57 Grand Street	19,147	38,705	133,476	191,328
54 Nardozzi - TAC New Rochelle, LLC	54 Nardozzi Place	36,207	73,193	252,407	361,807
28 South Division Owner, LLC	50 Clinton Place / 25 Division Street South	65,614	132,641	457,412	655,667
600 North Ave - NA West, LLC	600 North Avenue	28,229	57,066	196,792	282,087
BRP 500 Main TC Owner, LLC	500 Main Street / 12 Church Street	70,719	142,962	493,006	706,687
64 Centre - Centre Pointe Developers, LLC	64 Centre Avenue	20,374	41,187	142,032	203,593
8 Westchester - Allstate Capitol, LLC	8 Westchester Place	10,604	21,437	73,925	105,966
MJ Garden V, LLC	26 Garden Street	19,637	39,698	136,899	196,234

INDEPENDENT AUDITORS' 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
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 New Rochelle Industrial Development Agency (the Agency), a discretely presented component unit of the City of New Rochelle, New York, as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated April 3, 2024.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 Agency'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 financial statements. 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
April 3, 2024