

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, 2021 and 2020

New Rochelle Industrial Development Agency

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

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Required Supplementary Information Management's Discussion and Analysis	4
Comparative Statement of Net Position	7
Comparative Statement of Revenues, Expenses and Changes in Net Position	8
Comparative Statement of Cash Flows	9
Notes to Financial Statements	10
Supplementary Information Schedule of Budget with Actual Operating Amounts	14
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15

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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 ("Agency"), a discretely presented component unit of the City of New Rochelle, New York, as of and for the years ended December 31, 2021 and 2020 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, 2021 and 2020 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 judgment, 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, 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 23, 2022 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 23, 2022

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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, 2021

The following is a discussion and analysis of the New Rochelle - Industrial Development Agency ("IDA") financial performance for the fiscal year ended December 31, 2021. The section is a summary of the IDA'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 IDA'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 indefinite terms. Presently, a member of the New Rochelle City Council serves as the IDA's Vice Chair and the City Manager of the City of New Rochelle serves as the IDA'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 IDA is a separate entity and operates independently from the City of New Rochelle. However, because the City appoints its board of directors, the IDA 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 increased by \$543,717
- Total revenues for the fiscal year 2021 were \$1,074,075, an increase of \$260,195 or 32%
- Total expenses for fiscal year 2021 were \$530,358, a decrease of \$319,843 or 37.5% 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 IDA 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 IDA'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 IDA as a whole is improving or deteriorating. Evaluation of the overall economic health of the IDA 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 IDA'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, 2021 and 2020:

Summary of Net Position

	Fiscal Year		Dollar Change	Percent Change
	2021	2020		
Current assets	\$ 1,230,536	\$ 750,851	\$ 479,685	63.9%
Total assets	<u>1,230,536</u>	<u>750,851</u>	<u>479,685</u>	<u>63.9%</u>
Current liabilities	35,529	99,561	(64,032)	-64.3%
Total liabilities	<u>35,529</u>	<u>99,561</u>	<u>(64,032)</u>	<u>-64.3%</u>
Net position:				
Unrestricted	<u>\$ 1,195,007</u>	<u>\$ 651,290</u>	<u>\$ 543,717</u>	<u>83.5%</u>

Summary of Changes in Net Position

	Fiscal Year		Dollar Change	Percent Change
	2021	2020		
Revenues:				
Charges for services	\$ 1,054,890	\$ 748,821	\$ 306,069	40.9%
Application fees	-	3,600	(3,600)	-100.0%
Service income	18,000	47,500	(29,500)	-62.1%
Miscellaneous income	1,036	13,255	(12,219)	-92.2%
Interest income	149	704	(555)	-78.8%
Total revenues	<u>\$ 1,074,075</u>	<u>\$ 813,880</u>	<u>\$ 260,195</u>	<u>32.0%</u>
Expenses:				
Personnel services and benefits	201,734	201,734	-	0.0%
Professional services	69,762	68,019	1,743	2.6%
Memberships and subscriptions	1,122	850	272	32.0%
Advertising	7,740	6,741	999	14.8%
Miscellaneous expenses	-	509	(509)	-100.0%
Job Training	250,000	346,344	(96,344)	-27.8%
Other	-	226,004	(226,004)	-100.0%
Total expenses	<u>530,358</u>	<u>850,201</u>	<u>(319,843)</u>	<u>-37.6%</u>
Change in net position	<u>\$ 543,717</u>	<u>\$ (36,321)</u>	<u>\$ 580,038</u>	<u>-1597.0%</u>

Budgetary Highlights

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

During 2021, seventeen total transactions were consummated, eight of which constituted a closing of an approved project: Monarch Coopers Corner PROPCO LLC; 28 South Division Owner LLC; TAC New Rochelle, LLC; The Luxuria NR LLC; Centre Pointe Developers LLC (64 Centre); RMFCH Huguenot Property Owner II LLC (327 Huguenot); New Rochelle Tower Owner LLC / BRP 500 Main TC Owner; and The Young Companies LLC (600 North Avenue). The remaining nine constituted smaller transactions such as terminations and refinancing transactions. Of the eight projects that closed in 2021, one was approved in 2017, one was approved in 2018, three were approved in 2019, and three were approved in 2021. All seventeen projects resulted in a total transaction fee of \$ \$1,054,890 to the IDA. Four additional projects are anticipated to close in 2022 with an estimated transaction fee of \$397,763, 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. The net impact of the projects that closed in 2021 is an increase of \$306,069 from the prior year total. Annual service, application and other fees decreased by \$45,319 while interest income decreased slightly from the prior year by \$555.

In preparing its budget, the IDA 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 2021 budget anticipated the completion of five new transactions at estimated transaction fees of \$509,937. Seventeen transactions, including smaller transactions such as refinancing and terminations, were concluded in 2021 generating transaction fees of \$1,054,890, with four additional projects anticipated to close in 2022 with an estimated transaction fee of approximately \$397,763.

The adopted FY 2021 budget anticipated a deficiency of \$142,503 to the fund balance to finance estimated expenditures of \$704,940. Actual expenditures were \$ \$174,582 or 25% less than budget. Actual Revenues were \$511,638 or 91% greater than budget. The fund balance in FY 2021 increased by \$543,717, available reserves for future years from \$651,290 to \$1,195,007.

Economic Factors

The IDA will continue to look for funding opportunities to further its mission of promoting local development. Each year, the IDA 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 IDA'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.

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City of 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,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and equivalents	\$ 1,186,882	\$ 723,520
Accounts receivable	43,293	26,970
Prepaid expense	<u>361</u>	<u>361</u>
Total Assets	<u>\$ 1,230,536</u>	<u>\$ 750,851</u>
LIABILITIES		
Accounts payable	\$ 35,529	\$ 99,561
NET POSITION		
Unrestricted	<u>1,195,007</u>	<u>651,290</u>
Total Liabilities and Net Position	<u>\$ 1,230,536</u>	<u>\$ 750,851</u>

See notes to financial statements

City of 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,

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Charges for services	\$ 1,054,890	\$ 748,821
Application fees	-	3,600
Service income	18,000	47,500
Miscellaneous income	1,036	13,255
Total Operating Revenues	<u>1,073,926</u>	<u>813,176</u>
OPERATING EXPENSES		
Personnel services and benefits	201,734	201,734
Professional services	69,762	68,019
Memberships and subscriptions	1,122	850
Advertising	7,740	6,741
Miscellaneous expenses	-	509
Job training	250,000	346,344
Other	-	226,004
Total Operating Expenses	<u>530,358</u>	<u>850,201</u>
Income (Loss) from Operations	543,568	(37,025)
NON-OPERATING REVENUES		
Interest income	149	704
Change in Net Position	543,717	(36,321)
NET POSITION		
Beginning of year	<u>651,290</u>	<u>687,611</u>
Ending of year	<u>\$ 1,195,007</u>	<u>\$ 651,290</u>

See notes to financial statements

City of 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,

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services and fees	\$ 1,057,603	\$ 805,676
Cash paid for personal services and fringe benefits	(201,734)	(201,734)
Cash paid for administrative costs	(392,656)	(590,538)
	<u>463,213</u>	<u>13,404</u>
Net Cash from Operating Activities	463,213	13,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	149	704
	<u>463,362</u>	<u>14,108</u>
Net Change in Cash and Equivalents	463,362	14,108
CASH AND EQUIVALENTS		
Beginning of Year	723,520	709,412
End of Year	<u>\$ 1,186,882</u>	<u>\$ 723,520</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 543,568	\$ (37,025)
Changes in operating assets and liabilities		
Accounts receivable	(16,323)	(7,500)
Accounts payable	(64,032)	98,214
Accrued liabilities	-	(40,285)
	<u>\$ 463,213</u>	<u>\$ 13,404</u>
Net Cash From Operating Activities	<u>\$ 463,213</u>	<u>\$ 13,404</u>

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, 2021

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, 2021

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 deposit 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 Agency 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, 2021.

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, 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

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 23, 2022.

Note 3 - Conduit Debt Obligations, Revenue Bonds and Note Transactions

The Agency has issued Revenue Bonds to local non-profit organizations, which provides the organizations the opportunity to utilize tax-exempt financing for eligible projects. 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.

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, 2021

Note 3 - Conduit Debt Obligations, Revenue Bonds and Note Transactions (Continued)

Neither the Agency or the City of New Rochelle, New York is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, there were two series of Revenue Bonds outstanding, with an aggregate principal amount payable of \$36,939,845.

SUPPLEMENTARY INFORMATION

City of 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, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUE				
Charges for services	\$ 509,937	\$ 509,937	\$ 1,054,890	\$ 544,953
Application fees	3,000	3,000	-	(3,000)
Service income	47,500	47,500	18,000	(29,500)
Miscellaneous income	-	-	1,036	1,036
Total Revenues	560,437	560,437	1,073,926	513,489
OPERATING EXPENSES				
Personnel services and benefits	203,000	203,000	201,734	1,266
Professional services	132,000	144,000	69,762	74,238
Memberships and subscriptions	2,940	2,940	1,122	1,818
Office supplies	1,000	1,000	-	1,000
Advertising	13,000	13,000	7,740	5,260
Travel and conferences	2,000	2,000	-	2,000
Miscellaneous expenses	1,000	1,000	-	1,000
Job training	350,000	350,000	250,000	100,000
Other	-	-	-	-
Total Operating Expenses	704,940	716,940	530,358	186,582
Income (Loss) from Operations	(144,503)	(156,503)	543,568	700,071
NON-OPERATING REVENUES (EXPENSE)				
Interest income	2,000	2,000	149	(1,851)
Excess (deficiency) of revenues over expense	(142,503)	(154,503)	543,717	698,220
NET POSITION				
Beginning of Year	142,503	154,503	651,290	496,787
End of Year	\$ -	\$ -	\$ 1,195,007	\$ 1,195,007

See independent auditor's report

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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 ("Agency"), a discretely presented component unit of the City of New Rochelle, New York as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 23, 2022.

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

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March 23, 2022