

**COUNTY OF WESTCHESTER
INDUSTRIAL DEVELOPMENT AGENCY**

(A COMPONENT UNIT OF THE
COUNTY OF WESTCHESTER, NEW YORK)

FINANCIAL STATEMENTS

AND SUPPLEMENTAL INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

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Independent Auditors' Report

To the Board of Directors of the
County of Westchester Industrial Development Agency
(a component unit of the County of Westchester, New York)

We have audited the accompanying statements of net assets of the County of Westchester Industrial Development Agency (the "Agency") (a component unit of the County of Westchester, New York) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of December 31, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
March 21, 2012

**County of Westchester
Industrial Development Agency
Management's Discussion and Analysis
December 31, 2011**

Compliance and Accountability

Since the County of Westchester Industrial Development ("Agency") formed in 1977, the Agency's management was under the direction of the seven appointed members of the Board. Its by-laws required that Westchester County's Commissioner of Finance serve as the Treasurer of the Agency. Following the passage of the 2005 Public Authority Accountability Act (PAAA), the Agency adopted new by-laws, policies and procedures consistent with PAAA.

As a result, the Agency has established its own financial systems separate from those of Westchester County. To insure continuity in consistency with municipal best practices, the by-laws establish the position of Comptroller as its chief financial officer responsible for financial management, compliance and good practices, establishing internal controls, as well as investment of funds consistent with its investment policy; and reporting to the Treasurer (an elected board member).

The Executive Director serves as compliance officer. The Compliance Officer is responsible for insuring that the Agency complies with all financial and other reporting requirements imposed by structure, including those requirements in General Municipal Law and the PAAA. [see Agency bylaws and policies at www.westchestergov.com/ida]. Further the Executive Director is responsible for providing the Agency and its Committee with detailed budget information prior to adoption of the annual budget.

The Treasurer oversees the Comptroller. An Audit Committee of four Board members including the Treasurer is responsible for the appointment, compensation and oversight of the audit process. The Audit Committee offers its recommendations to the full Agency for action and/or adoption.

Financial Highlights

Change in Net Assets

The change in net assets of (\$460,221) for 2011 was larger than the 2010 change in net assets of (\$295,799) by \$164,422. This \$164,422 increase is primarily due to the decrease in closing fees, application and administrative fees and other contractual fees of \$43,337, grant income of \$500,000 for a N.Y State grant, a \$58,588 net decrease in the reversal of a 2010 and 2009 expense for the State Public Authority Assessment rescinded by New York State in 2011 and 2010, an increase in other operating expenses of \$58,568 and a decrease in other revenues of \$3,929. The decreases were partially offset by a decrease in contracted services of \$500,000 from 2010.

Liquidity

Cash and equivalents decreased by \$2,601,094 in 2011. The overall decrease in cash and equivalents is due to the 2011 cash payments to other governments of \$5,199,260 primarily for recaptured sales tax, for contracted services amounting to \$108,000, payments to employees for salaries and benefits of \$562,174 as well as other administrative costs of \$545,623, partially offset by receipts from customers of \$3,788,732, receipts from rental activities of \$19,001 and interest of \$6,230. The County of Westchester Industrial Development Agency has sufficient cash and equivalents to fund future operating needs.

Recapture of sales tax benefits

A company, whose project was in place in 2010, was subject to an unanticipated takeover. As a result the project did not meet its December 31, 2010 employment goals and the company advised the Agency that it was ceasing operations in Westchester County. In December 2010 the Board resolved to terminate this project and accordingly recaptured sales tax benefits of \$3,183,169 in June 2011 on behalf of the State, County, and Local governments.

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

COMPARATIVE STATEMENTS OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Cash and equivalents	\$ 4,477,934	\$ 7,079,028
Accounts receivable (net of allowance for uncollectible amounts of \$486,388 in 2010)	116,412	3,389,859
Prepaid expenses	-	7,029
Total Current Assets	4,594,346	10,475,916
Assets held for others	1,501,165	-
Capital assets - Land	1,100,000	1,100,000
Total Assets	7,195,511	11,575,916
LIABILITIES		
Accounts payable	30,425	55,829
Due to other governments	362,205	5,758,150
Total Current Liabilities	392,630	5,813,979
Custodial funds	1,501,165	-
Total Liabilities	1,893,795	5,813,979
NET ASSETS		
Invested in capital assets	1,100,000	1,100,000
Unrestricted	4,201,716	4,661,937
	<u>\$ 5,301,716</u>	<u>\$ 5,761,937</u>

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

COMPARATIVE STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Charges for Services:		
Closing fees	\$ 470,418	\$ 539,110
Application and administrative fees	46,490	20,126
Other contractual fees	4,600	1,008
Refund of prior year expenditure	-	62,874
Miscellaneous	7,065	1,344
Grant (pass-through)	-	500,000
	<u>528,573</u>	<u>1,124,462</u>
Total Operating Revenues		
Operating Expenses:		
Salaries	266,341	246,152
Employee benefits	146,061	110,768
Professional fees	237,177	269,895
Office	68,893	79,545
Travel	9,235	5,264
Contracted services	108,000	608,000
Advertising	139,743	92,696
Membership dues	29,575	29,850
State Public Authority Assessment	-	4,286
	<u>1,005,025</u>	<u>1,446,456</u>
Total Operating Expenses		
Loss from Operations	<u>(476,452)</u>	<u>(321,994)</u>
Non-Operating Revenues:		
Rental fees	10,001	19,000
Interest income	6,230	7,195
	<u>16,231</u>	<u>26,195</u>
Total Non-Operating Revenues		
Change in Net Assets	(460,221)	(295,799)
Net Assets - Beginning of Year	<u>5,761,937</u>	<u>6,057,736</u>
Net Assets - End of Year	<u>\$ 5,301,716</u>	<u>\$ 5,761,937</u>

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash Flows From Operating Activities:		
Receipts from charges for services	\$ 3,788,733	\$ 918,012
Cash paid to grantees	(108,000)	(608,000)
Cash paid to employees and for benefits	(562,174)	(126,216)
Cash paid for administrative costs	(545,624)	(388,425)
Payments/receipts due to/ from primary government	<u>(5,199,260)</u>	<u>88,080</u>
Net Cash From Operating Activities	<u>(2,626,325)</u>	<u>(116,549)</u>
Cash Flows From Investing Activities:		
Receipts from rental activities	19,001	38,000
Interest income	<u>6,230</u>	<u>7,195</u>
Net Cash From Investing Activities	<u>25,231</u>	<u>45,195</u>
Net Change in Cash and Equivalents	(2,601,094)	(71,354)
Cash and Equivalents - Beginning of Year	<u>7,079,028</u>	<u>7,150,382</u>
Cash and Equivalents - End of Year	<u>\$ 4,477,934</u>	<u>\$ 7,079,028</u>
Reconciliation of Loss From Operations to Net Cash From Operating Activities:		
Loss from operations	\$ (476,452)	\$ (321,994)
Adjustments to reconcile net loss to net cash from operating activities:		
Accounts receivable	3,264,447	(3,326,745)
Prepaid expenses	7,029	34,792
Assets held for others	(1,501,165)	-
Accounts payable	(25,404)	(41,806)
Due to other governments	(5,395,945)	3,539,204
Custodial funds	<u>1,501,165</u>	<u>-</u>
	<u>\$ (2,626,325)</u>	<u>\$ (116,549)</u>

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization

The County of Westchester Industrial Development Agency (the "Agency") was created in 1977 by the New York State Legislature under the provisions of Chapter 788 for the purpose of encouraging economic growth in the County of Westchester (the "County"). The Agency is exempt from Federal, State and local income taxes. The Agency, although established by the State, is a separate entity and operates independently of the County. The governing board consists of seven members appointed by the County Executive with confirmation by the Board of Legislators.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Agency has been identified as a component unit of the County. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 14, the Agency's financial statements have been discretely presented in the County's financial statements.

Basis of Accounting

The accounting policies of the Agency conform to generally accepted accounting principles as applicable to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Agency reports its operations on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Agency applies all applicable Financial Accounting Standards Board ("FASB") guidance issued after November 30, 1989 in its accounting and reporting.

Cash and Equivalents

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with maturities of three months or less at the time of purchase. Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The Agency has entered into custodial agreements with the depositories which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Assets Held for Others

Assets held for others consist of funds being held in escrow.

Land

Land was contributed to the Agency by the City of Yonkers, City of New York and the County to effectively and economically develop the Austin Avenue Office Park located in Yonkers, New York. The land is recorded at fair market value (\$1,100,000) as of the date received. The parcel of land is leased to the developer of the Austin Avenue Park, Morris Industrial Builders, under a long-term developmental lease. The lease expires in the year 2045, with two subsequent renewal options for 30 additional years, each. For the term of the lease, the Agency will be the owner of the premises and the landlord.

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use. Net assets on the statement of net assets include the amount invested in capital assets and the balance is classified as unrestricted.

Due to Other Governments

During the course of its operations, the IDA collects and remits funds to other governments. To the extent that certain transactions between other governments have not been paid as of December 31, 2011, these amounts have been recorded in the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 21, 2012.

Note 3 - Litigation

In the normal course of business there are a number of actions against the Agency that involve personal injury and/or contractual disputes between the plaintiff's and the project beneficiary. In each such case, the Agency has been indemnified by the project beneficiary and, in the opinion of the Agency's management, the project beneficiary has insurance in place to mitigate any losses that may ultimately result from the resolution of such litigation. While the Agency has been named in many of these actions, in the opinion of management based upon consultation with legal counsel, the ultimate resolution of such litigation matters should not result in any liability to the Agency.

Austin Avenue Project Rent Dispute

Pursuant to a certain Five Party Agreement among the Agency, the County of Westchester ("County"), the City of Yonkers ("Yonkers"), the City of Yonkers Industrial Development Agency and Morris Industrial Builders, dated October 24, 1985, the Agency receives certain rent from Morris and distributes it to the County and/or Yonkers. The Agency, the County and Yonkers are in disagreement as to the proper division of the rent under the Five Party Agreement. It is the position of the Agency and the County that all rent is payable to the County until September 2006, after which date the rent is to be divided approximately 2/3rd to the County and 1/3rd to Yonkers. It is the position of Yonkers that the foregoing division of the rent was to begin on or about September 1999. During the period from September 1999 through September 2006 the Agency had received rent in the amount of \$81,250 per month. In the opinion of management there is no disagreement regarding the distribution of the rent commencing September 2006, therefore the Agency paid to Yonkers on or about April 3, 2009, 1/3rd of the rent received from Morris for the period September 2006 through March 31, 2009. Subsequent to March 2009 Yonkers has been receiving 1/3rd of the monthly rent. To determine the proper distribution of the rent for the period prior to September 2006, the Agency commenced an action in the nature of an interpleader or

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 3 - Litigation (Continued)

declaratory judgment against the County and Yonkers in the Supreme Court of the State of New York, County of Westchester. In the event that the position of Yonkers were to prevail, it is likely that the Agency would assert a claim against the County to return the excess rent previously paid to the County. The parties have engaged in settlement negotiations, and a proposed settlement is pending under which the Agency would incur no payment obligation. However, the proposed settlement will not be effective unless and until it is approved by Yonkers and the County, which will require action by the County Board of Legislators. Such approval had not been granted as of the report date of the Agency's financials.

Austin Avenue Lease Complaint

On or about March 2, 2012, Morris Builders, L.P., filed a complaint against the Agency, the County of Westchester, the City of Yonkers and the City of Yonkers Industrial Development Agency. As alleged in the complaint, the action arises out of the lease by the Agency to the plaintiff of certain land located in Yonkers, New York, and the alleged failure of the Agency to convey good leasehold title to a portion of the land which was purportedly intended to be subject to the lease. As of the date hereof, the Complaint has not been served upon the Agency. In the event that the Complaint is served upon the Agency, Management expects the Agency will vigorously contest the claims. Due to the inherent uncertainty of this type of proceeding, counsel is unable to express an opinion on the probable outcome of the case at this stage. No accruals have been made for an unfavorable outcome, if any, in these financial statements.

Note 4 - Due to Other Governments

Due to other governments as of December 31:

	<u>2011</u>	<u>2010</u>
Sales tax benefit recapture	\$ -	\$ 5,111,179
Mortgage tax benefit recapture	124,938	124,938
Rent collected	-	29,360
Operating costs	<u>237,267</u>	<u>492,673</u>
	<u>\$ 362,205</u>	<u>\$ 5,758,150</u>

Sales tax benefit recapture amounts for 2010 were subsequently remitted to State, County and Local governments in 2011.

Note 5 - Assets Held for Others and Custodial Funds

On June 23, 2011 the Agency entered into an escrow agreement with a former PILOT participant ("the Company") and certain defined municipalities of Westchester County. As part of this escrow agreement the Agency, as escrow agent, received \$1.5 million to maintain and invest for a period of 15 years. The Company has agreed to these funds being maintained in a separate money market account secured at 102% with US Treasuries. This balance is reflected in the financial statements of the Agency as both an asset and liability. Investment earnings and income on the escrow shall become part of the escrow property to be disbursed in accordance with the escrow agreement. If the escrow balance falls below \$1.5 million during any time prior to the end of escrow period for reasons specified in the escrow agreement, a replenishment to restore the escrow balance to the initial \$1.5 million is required by the Company. Upon

NOTES TO FINANCIAL STATEMENTS (Continued)

Note 5 - Assets Held for Others and Custodial Funds (Continued)

the expiration of the escrow period, the Agency shall distribute, as promptly as practicable, any remaining escrow property to the Company.

Note 6 - Revenue Bonds, Notes, Straight-Lease Transactions and Grants

Certain revenue bonds and notes issued by the Agency are secured by property, which is leased to companies. The bonds and notes are not obligations of the Agency or the State. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and funds arising there-from are controlled by trustees or banks acting as fiscal agents.

In exchange for providing this service, the Agency receives closing fees from the borrowing companies. The fee received by the Agency is one percent for the first \$10 million and one quarter of one percent of the amount over \$10 million for for-profit corporations. In addition, the Agency receives closing fees for straight lease transactions of five percent of the expected savings of mortgage recording, sales and use taxes. Such administrative fee income is recognized immediately upon issuance of bonds and notes or closing on leases.

The Agency acts as a pass-through conduit for certain grants issued by New York State ("NYS"). The grant funds are reflected as revenues when received from NYS and expenses when distributed to the grantee. In connection with the 2010 grant arrangement the Agency received a letter of credit in the amount of the grant and a security interest in equipment owned by the grantee.

Note 7 - Rental Revenue Under Operating Leases

The Austin Avenue Park lease provides for periodic lease escalations based upon increases defined in the Amended Agreement of May, 2007. The escalations are enacted at the 20th, 25th, 30th, 35th, 45th and 55th anniversary of the lease. During the years ended December 31, 2011 and 2010, the Agency received \$1,056,956 and \$988,660, respectively, of rental income under the aforementioned lease arrangement. The terms of the Austin Avenue Park original land contribution agreement provide that the Agency must remit all rental income received from the aforementioned lease to the County. Consequently, amounts due to the County for each year have been netted against rental fees in the accompanying Statement of Activities.

Future minimum lease income to be received pursuant to the Austin Avenue Park land discussed in Note 2 for each of the years in the period ended December 31, as of December 31, 2011 is as follows:

2012	\$	1,056,956
2013		1,056,956
2014		1,056,956
2015		1,077,464
2016		1,180,000
Thereafter		43,157,400
	\$	<u>48,585,732</u>

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

NOTES TO FINANCIAL STATEMENTS (Concluded)

Note 8 - Related Party Transaction

During 2011 and 2010 the Agency and the County entered into an agreement for personnel, space, supplies and equipment of the County commencing on January 1 and ending on December 31. The parties currently intend to enter into annual renewals on financial terms to be negotiated each year, as approved by the members of the Agency and by the Westchester County Board of Acquisition.

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

	<u>2011</u>	<u>2010</u>
Salaries and Employee Benefits	\$ 412,402	\$ 356,920
Space, supplies, equipment and other administrative expenses	<u>60,849</u>	<u>77,033</u>
Total	<u>\$ 473,251</u>	<u>\$ 433,953</u>
Year end balance due to the County	<u>\$ 237,268</u>	<u>\$ 165,998</u>

SUPPLEMENTAL INFORMATION

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

SUPPLEMENTAL INFORMATION
SCHEDULE OF INDEBTEDNESS - BONDS AND NOTES ISSUED, OUTSTANDING OR RETIRED
DECEMBER 31, 2011

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2011	New Issues	Payments	Outstanding Balance at December 31, 2011	Project Address
American Red Cross	1992	\$ 1,600,000	\$ 1,000,000	\$ -	\$ 60,000	\$ 940,000	106 North Broadway White Plains, NY 10603
Airport Parking Associates - Series A	1994	14,455,000	11,135,000	-	430,000	10,705,000	115 Stevens Avenue Valhalla, NY 10580
Airport Parking Associates - Series B	1994	3,535,000	2,500,000	-	95,000	2,405,000	115 Stevens Avenue Valhalla, NY 10580
Beth Abraham Hospital - Series B (Redeemed 2011)	1995	1,870,000	1,810,000	-	1,810,000	-	385 Old Tarrytown Road White Plains, NY 10603
Andrus Memorial Julia Dyckman	1996	5,840,000	2,645,000	-	375,000	2,270,000	1156 North Broadway Yonkers, NY 10701
Hendrick Hudson Free Library	1996	2,300,000	1,501,590	-	91,874	1,409,716	185 Kings Ferry Road Montrose, NY 10548
BWP Distributors	1997	7,420,000	3,400,000	-	200,000	3,200,000	215 Business Park Drive Armonk, NY 10504
Boys and Girls Club of Northern Westchester	1998	7,000,000	3,970,000	-	210,000	3,760,000	351 Main Street Mt. Kisco, NY 10549
Lawrence Hospital - Series A	1998	8,095,000	5,570,000	-	580,000	4,990,000	55 Palmer Avenue Bronxville, NY 10708
Lawrence Hospital - Series B	1998	10,810,000	9,575,000	-	345,000	9,230,000	55 Palmer Avenue Bronxville, NY 10708
Westchester Jewish Community Services	1998	3,450,000	1,595,000	-	90,000	1,505,000	Cedar Knolls School Hawthorne, NY 10532
Rippowam Cisqua School	1999	6,365,000	5,190,000	-	160,000	5,030,000	P.O. Box 488 Bedford, NY 10506
Music Conservatory of Westchester	1999	4,500,000	3,260,000	-	80,000	3,180,000	216 Central Avenue White Plains, NY 10606
Jacob Burns	2000	4,500,000	3,655,000	-	115,000	3,540,000	39 Washington Avenue Pleasantville, NY 10570
Panorama Flight Services	2000	5,260,000	4,080,000	-	185,000	3,895,000	67 Tower Road White Plains, NY 10604
Windward School	2001	20,000,000	16,810,000	-	475,000	16,335,000	5 Winward Avenue White Plains, NY 10605
Community Housing Innovations	2001	4,860,000	3,885,000	-	145,000	3,740,000	Various - Mount Vernon, New Rochelle, Yonkers
Levister Redevelopment	2001	34,000,000	25,615,908	-	481,448	25,134,460	1 Eastchester Lane Mount Vernon, NY 10550
Living Independently for the Elderly	2001	10,525,000	9,245,000	-	210,000	9,035,000	62 Springvale Road Croton-on-Hudson, NY 10520
Catharine Fieldhome	2001	16,645,000	14,470,000	-	415,000	14,055,000	2300 Catherine Street Cortlandt Manor, NY 10567
The Children's Village	2002	4,860,000	3,550,000	-	210,000	3,340,000	Echo Hills Dobbs Ferry, NY 10522
SUNY Purchase	2002	19,885,000	17,180,000	-	460,000	16,720,000	735 Anderson Hill Road Purchase, NY 10577
Ardsley Housing, LLC	2002	7,195,000	6,995,000	-	1,785,000	5,210,000	Silvia Avenue Ardsley, NY 10502

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
American Red Cross	Same as project address	Services	Variable Rate Demand Obligation	5/1/2022	Tax Exempt
Cappelli Enterprises	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Yields from 5.10% to 5.95%	8/1/2024	Tax Exempt
Cappelli Enterprises	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Yields from 5.10% to 5.95%	8/1/2024	Tax Exempt
Beth Abraham Health Services	612 Allerton Avenue Bronx, NY 10469	Services	7.25%	12/1/2025	Tax Exempt
Julia Dyckman Memorial	Same as project address	Other	Variable Rate Demand Obligation	4/1/2016	Tax Exempt
Hendrick Hudson Free Library	Same as project address	Other	Variable Rate Demand Obligation	3/1/2021	Tax Exempt
BWP Distributors	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Variable Rate Demand Obligation	10/1/2028	Taxable
Boys and Girls Club	Same as project address	Services	Variable Rate Demand Obligation	2/1/2024	Tax Exempt
Lawrence Hospital	Same as project address	Services	Yields from 4.3% to 5.3%	1/1/2018	Tax Exempt
Lawrence Hospital	Same as project address	Services	Yields from 4.3% to 5.3%	1/1/2028	Tax Exempt
Westchester Jewish Community Services	120 West 57th Street New York, NY 10019	Other	6.95%	12/15/2012	Tax Exempt
Rippowam Cisqua School	Same as project address	Construction	5.90%	6/1/2029	Tax Exempt
Music Conservatory	Same as project address	Other	Variable Rate Demand Obligation	7/1/2029	Tax Exempt
Jacob Burns Center	Same as project address	Services	Variable Rate Demand Obligation	7/1/2030	Tax Exempt
Panorama Flight Services	Same as project address	Transportation, Communication, Electric, Gas, and Sanitary Services	Variable Rate Demand Obligation	12/1/2025	Tax Exempt
Windward School	Same as project address	Other	Yields from 2.53% to 5.31%	10/1/2031	Tax Exempt
Community Housing Innovations	190 East Post Road - STE. 401 White Plains, NY 10601	Construction	Variable Rate Demand Obligation	8/1/2026	Tax Exempt
All County Management	31-10 37th Avenue, Suite 500 Long Island City, NY 11101	Construction	Variable Rate Demand Obligation	8/1/2033	Tax Exempt
Bethel Springvale Inn	Same as project address	Construction	4.00%	8/1/2032	Tax Exempt
Catherine Fieldhome	Same as project address	Construction	Variable Rate Demand Obligation	1/1/2031	Tax Exempt
Children's Village	Same as project address	Construction	Yields from 4.55% to 5.60%	6/1/2022	Tax Exempt
SUNY Purchase	Same as project address	Construction	Yields from 3.10% to 5.35%	12/1/2034	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt

(Continued)

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

SUPPLEMENTAL INFORMATION
SCHEDULE OF INDEBTEDNESS - BONDS AND NOTES ISSUED, OUTSTANDING OR RETIRED (Continued)
DECEMBER 31, 2011

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2011	New Issues	Payments	Outstanding Balance at December 31, 2011	Project Address
Ardsley Housing, LLC	2002	3,145,000	3,065,000	-	20,000	3,045,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	6,330,000	6,155,000	-	40,000	6,115,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	3,590,000	3,490,000	-	20,000	3,470,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	8,470,000	8,235,000	-	50,000	8,185,000	Silvia Avenue Ardsley, NY 10502
The Masters School	2002	17,650,000	14,910,000	-	410,000	14,500,000	49 Clinton Avenue Dobbs Ferry, NY 10522
Hackley School	2003	16,000,000	6,750,000	-	375,000	6,375,000	293 Beekman Avenue Tarrytown, NY 10591
LC White Plains	2003	27,245,000	25,410,000	-	870,000	24,540,000	1 City Center Place White Plains, NY 10601
Schnurmacher Center for Rehabilitation and Nursing (Redeemed 2011)	2003	3,980,000	605,000	-	605,000	-	12 Tibbits Avenue White Plains, NY 10605
Schnurmacher Center for Rehabilitation and Nursing	2003	1,320,000	1,320,000	-	-	1,320,000	12 Tibbits Avenue White Plains, NY 10605
Schnurmacher Center for Rehabilitation and Nursing	2003	2,310,000	2,310,000	-	-	2,310,000	12 Tibbits Avenue White Plains, NY 10605
Young Adult Institute	2002	2,870,000	1,300,000	-	150,000	1,150,000	Multiple Locations
YWCA of White Plains and Central Westchester	2003	4,640,000	2,995,000	-	195,000	2,800,000	515 North Street White Plains, NY 10605
Northern Westchester Hospital Association	2004	16,000,000	12,950,000	-	690,000	12,260,000	400 East Main Street Mt. Kisco, NY 10549
Ardsley Housing, LLC	2004	8,155,000	7,890,000	-	50,000	7,840,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2004	6,290,000	6,115,000	-	40,000	6,075,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2004	6,865,000	6,670,000	-	40,000	6,630,000	Silvia Avenue Ardsley, NY 10502
Young Adult Institute	2004	1,210,000	815,000	-	75,000	740,000	Multiple Locations
Guiding Eyes for the Blind	2004	2,055,000	580,000	-	285,000	295,000	611 Granite Springs Road Yorktown Heights, NY 10598
Guiding Eyes for the Blind	2004	5,065,000	5,065,000	-	-	5,065,000	611 Granite Springs Road Yorktown Heights, NY 10598
Westchester Arts Council	2004	3,265,000	2,880,000	-	70,000	2,810,000	31 Mamaroneck Avenue White Plains, NY 10601
Clearview School - Series A	2005	320,000	140,000	-	40,000	100,000	550 Albany Post Road Briarcliff Manor, NY 10510
Clearview School - Series B	2005	1,215,000	1,215,000	-	-	1,215,000	550 Albany Post Road Briarcliff Manor, NY 10510
Mercy College	2005	10,140,000	7,705,000	-	565,000	7,140,000	555 Broadway Dobbs Ferry, NY 10522
Westchester Community Revitalization - Series A	2005	4,170,000	3,945,000	-	85,000	3,860,000	Multiple Locations

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
Masters School	Same as project address	Construction	Variable Rate Demand Obligation	12/1/2032	Tax Exempt
The Hackley School	Same as project address	Construction	Auction Rate	12/1/2028	Tax Exempt
Cappelli Enterprises	115 Stevens Avenue Valhalla, NY 10580	Construction	6.00%	10/15/2027	Taxable
Schnurmacher Center for Rehabilitation and Nursing	612 Allerton Avenue Bronx, NY 10467	Other	6.00%	11/1/2013	Tax Exempt
Schnurmacher Center for Rehabilitation and Nursing	612 Allerton Avenue Bronx, NY 10467	Other	6.00%	11/1/2013	Tax Exempt
Schnurmacher Center for Rehabilitation and Nursing	612 Allerton Avenue Bronx, NY 10467	Other	6.00%	11/1/2013	Tax Exempt
Young Adult Institute	460 West 34th Street New York, NY 10001	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
YWCA of White Plains	Same as project address	Other	Variable Rate Demand Obligation	7/1/2023	Tax Exempt
Northern Westchester Hospital Association	Same as project address	Services	Variable Rate Demand Obligation	11/1/2024	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
OLSL Ardsley LLC	30 Rockefeller Plaza, 50th Floor New York, NY 10020	Construction	7.90%	11/1/2044	Tax Exempt
Young Adult Institute	460 West 34th Street New York, NY 10001	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
Guiding Eyes for the Blind	Same as project address	Other	Yields from 4.00% to 5.375%	8/1/2024	Tax Exempt
Guiding Eyes for the Blind	Same as project address	Other	Yields from 4.00% to 5.375%	8/1/2024	Tax Exempt
Westchester Arts Council	Same as project address	Other	Variable Rate Demand Obligation	5/1/2034	Tax Exempt
Clearview School	Same as project address	Other	6.60%	1/1/2035	Tax Exempt
Clearview School	Same as project address	Other	7.25%	1/1/2035	Tax Exempt
Mercy College	Same as project address	Construction	Variable Rate Demand Obligation	7/1/2030	Tax Exempt
Westhab Community Revitalization	85 Executive Boulevard Elmsford, NY 10523	Construction	Yields from	6/1/2032	Tax Exempt

(Continued)

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

SUPPLEMENTAL INFORMATION
SCHEDULE OF INDEBTEDNESS - BONDS AND NOTES ISSUED, OUTSTANDING OR RETIRED (Continued)
DECEMBER 31, 2011

Project	Year of Issue	Original Issue Value	Outstanding Balance at January 1, 2011	New Issues	Payments	Outstanding Balance at December 31, 2011	Project Address
Young Adult Institute	2005	3,340,000	1,720,000	-	135,000	1,585,000	460 West 34th Street New York, NY 10001
Young Adult Institute	2006	3,735,000	2,790,000	-	240,000	2,550,000	460 West 34th Street New York, NY 10001
Greenburgh Housing, LLC	2006	12,240,000	12,075,000	-	120,000	11,955,000	90 Manhattan Avenue Greenburgh, NY 10607
Soundview School	2007	2,880,000	2,691,625	-	55,132	2,636,493	370 Underhill Avenue Yorktown Heights, NY 10598
YMCA of Central & Northern Westchester	2007	3,555,336	3,555,336	-	15,255	3,540,081	250 Mamaroneck Avenue White Plains, New York 10601
YMCA of Central & Northern Westchester	2007	529,210	230,180	-	107,921	122,259	250 Mamaroneck Avenue White Plains, New York 10601
Kendal on Hudson	2007	41,350,000	41,350,000	-	205,000	41,145,000	1010 Kendal Way Sleepy Hollow, NY 10591
Symphony Knoll	2007	1,786,595	1,758,695	-	-	1,758,695	15 Mount Airy Road Croton-on-Hudson, NY 10520
Westchester Meadows/Hebrew Hospital - Series 2008	2008	14,995,000	14,425,000	-	255,000	14,170,000	61 Grasslands Road Valhalla, NY 10595
Catherine Fieldhome	2008	3,945,000	3,130,000	-	375,000	2,755,000	2300 Catherine Street Cortlandt Manor, NY 10567
Catherine Fieldhome	2008	3,705,000	3,705,000	-	-	3,705,000	2300 Catherine Street Cortlandt Manor, NY 10567
EBC White Plains, LLC Series 2011A	2011	12,865,000	-	12,865,000	-	12,865,000	305 North Street White Plains, NY 10605
Total Indebtedness		<u>\$ 472,196,141</u>	<u>\$ 378,583,334</u>	<u>\$ 12,865,000</u>	<u>\$ 15,191,630</u>	<u>\$ 376,256,704</u>	

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
Young Adult Institute	Same as project address	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
Young Adult Institute	Same as project address	Other	Yields from 5.50% to 6.50%	7/1/2021	Tax Exempt
Marathon Development	901 Main Street, Suit 300 Peekskill, NY 10566	Construction	5.75%	7/1/2039	Tax Exempt
Soundview School	Same as Project	Other	5.87%	8/1/2027	Tax Exempt
YMCA of Central & Northern Westchester	Same as Project	Other	5.40%	12/4/2027	Tax Exempt
YMCA of Central & Northern Westchester	Same as Project	Other	5.40%	12/4/2012	Taxable
Kendal on Hudson	Same as Project	Other	Variable 4.374% at Issuance	1/1/2034	Tax Exempt
Croton Housing Network	132 Old Post Road North Croton-on-Hudson, NY 10520	Construction	6.72%	12/31/2039	Tax Exempt
Westchester Meadows - Hebrew Hospital	Same as project address	Other	Variable	7/1/2038	Tax Exempt
Catherine Fieldhome	Same as project address	Other	6%	8/15/2017	Tax Exempt
Catherine Fieldhome	Same as project address	Other	6.45%	8/15/2022	Tax Exempt
EBC White Plains, LLC	670 Clinton Road Garden City, NY 11530	Other	8.00%	11/1/2043	Tax Exempt

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

SUPPLEMENTAL INFORMATION
SCHEDULE OF STRAIGHT-LEASE TRANSACTIONS EXECUTED IN 2011
DECEMBER 31, 2011

<u>Project</u>	<u>Project Address</u>	<u>Owner</u>	<u>Owner Address</u>
International Business Machines Corporation	1101 Kitchawan Road Route 134 Yorktown Heights, NY 10598	International Business Machines Corporation	New Orchard Road Armonk, NY 10504
Amkai LLC	200 Business Park Drive Armonk, NY 10504	Amkai LLC	231 Bank Street Waterbury, CT 06702
450 Mamaroneck Avenue LLC	450 Mamaroneck Avenue Harrison, NY 10528	450 Mamaroneck Avenue LLC	c/o RPW Group, Inc. 800 Westchester Ave Rve Brook. NY 10573
Main Street WP Hotel Associates, LLC	250 and 258-272 Main Street White Plains, NY 10601	Main Street WP Hotel Associates, LLC	250 Main Street White Plains, NY 10601
OrthoNet Holdings, Inc.	1311 Mamaroneck Avenue White Plains, NY 10605	OrthoNet Holdings, Inc.	1311 Mamaroneck Avenue White Plains, NY 10605
Financial Institutions Retirement Fund - Pentegra Group	108 Corporate Park Drive White Plains, NY 10604	Financial Institutions Retirement Fund - Pentegra Group	108 Corporate Park Drive White Plains, NY 10604
TAL International Container Corporation	100 Manhattanville Road Purchase, NY 10577	TAL International Container Corporation	100 Manhattanville Road Purchase, NY 10577
Elm Street Sports	1 Elm Street Ardsley, NY 10502	Elm Street Sports Group LLC	64 Stratton Road Scarsdale, NY 10583
Acorda Therapeutics, Inc.	410-420 Saw Mill River Rd Ardsley, NY 10502	Acorda Therapeutics, Inc.	15 Skyline Drive Hawthorne, NY10532

See Independent Auditors' Report

<u>Approximate Cost</u>	<u>Benefit (Sales Tax)</u>	<u>Benefit (Mortgage Tax)</u>	<u>Jobs at Location</u>	<u>Jobs to be Created</u>	<u>Jobs to be Retained</u>
\$ 14,500,000	\$ 1,750,000	\$ -	1,300	530	1,300
437,000	32,228	-	-	35	-
8,000,000	90,000	150,000	-	-	-
16,951,000	220,020	111,800	-	125	-
500,000	31,000	-	350	155	350
768,000	49,500	-	128	-	128
1,190,000	87,763	-	75	-	75
12,790,000	147,500	-	-	13	-
27,900,000	1,100,000	-	159	190	159

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

SUPPLEMENTAL INFORMATION
SCHEDULE OF PAYMENTS IN LIEU OF TAXES
DECEMBER 31, 2011

Project	Project Address	Pilot Payments		
		City	School	County
Morgan Stanley DW, Morgan Stanley & Co.	2000 Westchester Avenue Harrison, NY 10650	\$ 546,473	\$ 1,248,978	\$ 404,549
New York Life Insurance, Co.	1 Rockwood Road Sleepy Hollow, NY 10591	80,513	1,018,207	158,737
Levister Redevelopment Company,	1 Eastchester Lane Mount Vernon, NY 10550	20,808	55,726	8,466
BWP Distributors	215 Business Park Drive Armonk, NY 10504	30,007	123,715	31,624
Snowden House	35 Snowden Avenue Ossining, NY 10562	13,890	30,060	6,050
Westchester Wheelabrator	One Charles Point Avenue Peekskill, NY 10566	4,160,867	4,160,867	N/A
800-60 Westchester Avenue/ 760-24 Westchester Avenue	800 / 760 Westchester Avenue Rye Brook, NY 10573	516,754	1,418,939	244,817
Avon Products, Inc.	601 Midland Avenue Rye, NY 10580	94,834	317,641	95,720
Doral / Pfizer	975 Anderson Hill Road Rye Brook, NY 10574	89,153	240,621	87,688
FC Bellefair, LLC	1104 King Street Rye Brook, NY 10573	177,930	656,027	91,173
Bank Street Commons	10 Main Street White Plains, NY 10601	500,152		314,076
Clayton Park	2 Canfield Avenue White Plains, NY 10601	214,634	668,960	134,782
Cohen Brothers	333 Westchester Avenue White Plains, NY 10605	231,180	720,528	145,171
Fortunoff / UBS Investors	100 Bloomingdale Road White Plains, NY 10601	334,609	1,042,891	210,121
LC White Plains, LLC (A)	1 City Center Place White Plains, NY 10601	491,837	1,549,486	316,298
City Center Residential, LLC (B)	1 City Place White Plains, NY 10601	144,288	449,708	90,607
SubTerrain Parking (C)	1 City Place White Plains, NY 10601	18,492	57,633	11,612
Kensico Terrace, LLC	24 South Kensico Terrace White Plains, NY 10601	8,083	25,194	5,076
1133 Westchester Avenue	1133 Westchester Avenue White Plains, NY 10605	409,456	1,276,169	257,122
AvalonBay White Plains	Barker Avenue White Plains, NY 10601	315,888	984,544	198,365

See Independent Auditors' Report

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF THE COUNTY OF WESTCHESTER, NEW YORK)

SUPPLEMENTAL INFORMATION
SCHEDULE OF PAYMENTS IN LIEU OF TAXES (Continued)
DECEMBER 31, 2011

Project	Project Address	Pilot Payments		
		City	School	County
LCOR 55 Bank Street	55 Bank Street White Plains, NY 10601	11,975	37,325	7,520
Nokia	102 Corporate Park Drive Harrison, NY 10604	86,071	194,730	62,226
Symphony Knoll	15-17 Mount Airy Road Croton-on-Hudson, NY	1	-	-
422 Warburton, LLC	422 Warburton Street Hastings-on-Hudson, NY 10706	-	-	-
Lafarge North America	350 Broadway, Buchanan, NY 10511	8,271	308,339	59,253
Fairview Housing/Greenburgh	Oak Street/Manhattan Ave Greenburgh, NY 10607	37,837	95,333	21,828
Inc. Hebrew Hospital Home of Inc.	61 Grasslands Road Valhalla, NY 10595	185,682	557,894	107,119
Kendal on Hudson	1 Kendal Way Sleepy Hollow, NY 10591	251,752	425,115	86,063
Tarrytown Corporate Center	520 White Plains Road Greenburgh, NY 10591	218,234	630,042	96,274
Regeneron Pharmaceuticals, Inc.	777 Old Saw Mill River Road Tarrytown, NY 10591	152,712	237,775	88,099

**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***

To the Board of Directors of the
County of Westchester Industrial Development Agency
(a component unit of the County of Westchester, New York)
White Plains, New York:

We have audited the financial statements of the County of Westchester Industrial Development Agency (the "Agency") as of and for the year ended December 31, 2011, and have issued our report thereon dated March 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Agency is responsible for establishing and maintaining internal control over financial reporting. In planning and performing our audit, we considered the Agency's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Suite 301, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.odpkf.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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*.

This report is intended solely for the information and use of management, the Board of Directors, and the New York State Office of the Comptroller and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

March 21, 2012

**Independent Accountants' Report on Compliance with Section 2925(3)(1)
of the New York State Public Authorities Law**

To the Board of Directors of the
County of Westchester Industrial Development Agency
(a component unit of the County of Westchester, New York)
White Plains, New York:

We have examined the County of Westchester Industrial Development Agency's (the "Agency") compliance with Section 2925(3)(1) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended December 31, 2011. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining on a test basis evidence supporting the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2011.

This report is intended solely for the information and use of management, the Board of Directors, officials of the County of Westchester, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
March 21, 2012