

**County of Westchester
Industrial Development Agency**

(A Component Unit of the
County of Westchester, New York)

Financial Statements and Supplementary Information

Years Ended December 31, 2016 and 2015

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

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Independent Auditors' Report

**The Board of Directors of the
County of Westchester Industrial Development Agency
(a Component Unit of the County of Westchester, New York)**

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Westchester Industrial Development Agency ("Agency") (a component unit of the County of Westchester, New York) as of and for the years ended December 31, 2016 and 2015 and the related notes to the financial statements which collectively comprise the Agency's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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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, 2016 and 2015 and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements. The schedules of indebtedness, straight-lease transactions executed in 2016 and payments in lieu of taxes are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2017 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 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 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, 2017

**County of Westchester
Industrial Development Agency**

Management's Discussion and Analysis (MD&A)
December 31, 2016

Compliance and Accountability

Since the County of Westchester Industrial Development ("Agency") was 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]. Due to the Executive Director position being vacant, the Executive Director duties are being performed by other officials of the Agency.

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 Position

The 2016 change in net position, a decrease of \$1,243,618, was greater than the 2015 change in net position, a decrease of \$279,525, by \$964,093. This \$964,093 decrease is due to the cost of sale of the Austin Avenue property of \$975,000, an increase in operating expenses of \$83,053 and a decrease of other non-operating revenue of \$9,731, partially offset by net increase in closing fees, application and administrative fees and other contractual fees of \$103,691.

Liquidity

Cash and equivalents decreased by \$430,000 in 2016. The overall decrease in cash and equivalents is due to cash payments for personal services and fringe benefits of \$473,341, and other administrative costs of \$750,678, partially offset by the 2016 receipts from charges for services of \$784,233, and interest of \$9,786. Proceeds from the sale of property of \$25,000,000 were offset by the distribution to governments of \$25,000,000. The County of Westchester Industrial Development Agency has sufficient cash and equivalents to fund future operating needs.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to the Executive Director, County of Westchester Industrial Development Agency, 148 Martine Avenue, White Plains, New York 10601.

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County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Comparative Statement of Net Position
December 31,

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and equivalents	\$ 3,530,901	\$ 3,960,901
Accounts receivable	160,006	65,294
 Total Current Assets	 3,690,907	 4,026,195
Assets held for others	1,513,210	1,512,203
Promissory note receivable	7,000,000	-
Capital assets		
Land	125,000	1,100,000
 Total Assets	 <u>12,329,117</u>	 <u>6,638,398</u>
LIABILITIES		
Accounts payable	122,469	87,625
Due to other governments	263,361	364,875
 Total Current Liabilities	 385,830	 452,500
Custodial funds	1,513,210	1,512,203
Due to other governments	7,000,000	-
 Total Liabilities	 <u>8,899,040</u>	 <u>1,964,703</u>
NET POSITION		
Net investment in capital assets	125,000	1,100,000
Unrestricted	3,305,077	3,573,695
 Total Net Position	 <u>\$ 3,430,077</u>	 <u>\$ 4,673,695</u>

See notes to financial statements.

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Comparative Statement of Activities
Years Ended December 31,

	2016	2015
OPERATING REVENUES		
Charges for services		
Closing fees	\$ 872,645	\$ 761,232
Application and administrative fees	4,250	12,500
Other contractual fees	2,050	1,522
	<u>878,945</u>	<u>775,254</u>
OPERATING EXPENSES		
Personal services	232,465	276,269
Fringe benefits	158,375	174,045
Professional fees	137,639	143,984
Office	105,544	91,395
Travel	1,234	1,599
Advertising	491,991	354,243
Membership dues	30,101	29,345
Bad debts	-	3,416
	<u>1,157,349</u>	<u>1,074,296</u>
Total Operating Expenses	<u>1,157,349</u>	<u>1,074,296</u>
Loss from Operations	<u>(278,404)</u>	<u>(299,042)</u>
NON-OPERATING REVENUES (EXPENSES)		
Rental fees	-	10,000
Interest income	9,786	9,517
Gain on sale of land	31,025,000	-
Distribution of proceeds from sale of land	(32,000,000)	-
	<u>(965,214)</u>	<u>19,517</u>
Total Non-Operating Revenues (Expenses)	<u>(965,214)</u>	<u>19,517</u>
Change in Net Position	(1,243,618)	(279,525)
NET POSITION		
Beginning of Year	<u>4,673,695</u>	<u>4,953,220</u>
End of Year	<u>\$ 3,430,077</u>	<u>\$ 4,673,695</u>

See notes to financial statements.

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Comparative Statement of Cash Flows
Years Ended December 31,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from charges for services	\$ 784,233	\$ 878,995
Cash paid for contracted services	-	(128,893)
Cash paid for personal services and fringe benefits	(473,341)	(448,396)
Cash paid for administrative costs	(750,678)	(601,187)
Net Cash from Operating Activities	(439,786)	(299,481)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of land	25,000,000	-
Distribution of proceeds from sale of land	(25,000,000)	-
Net Cash from Capital and Related Financing Activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from rental activities	-	10,000
Interest income	9,786	9,517
Net Cash from Investing Activities	9,786	19,517
Net Change in Cash and Equivalents	(430,000)	(279,964)
CASH AND EQUIVALENTS		
Beginning of Year	3,960,901	4,240,865
End of Year	\$ 3,530,901	\$ 3,960,901
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Loss from operations	\$ (278,404)	\$ (299,042)
Adjustments to reconcile loss from operations to net cash from operating activities		
Bad debt expense	-	3,416
Changes in operating assets and liabilities		
Accounts receivable	(94,712)	103,742
Prepaid expenses	-	7,000
Assets held for others	(1,007)	(601)
Accounts payable	34,844	(109,895)
Due to other governments	(101,514)	(4,702)
Custodial funds	1,007	601
Net Cash from Operating Activities	\$ (439,786)	\$ (299,481)

See notes to financial statements.

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County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements
December 31, 2016 and 2015

Note 1 - Organization

The County of Westchester Industrial Development Agency ("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 ("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. 61, 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.

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 102% 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/Custodial Funds

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

Land

The Agency has 9.9394 acres of land located in the Austin Avenue Office Park in the City of Yonkers, New York. The land is recorded at fair market value (\$125,000) as of the date received. (See Note 5).

Due to Other Governments

During the course of its operations, the Agency collects and remits funds to other governments. To the extent that certain transactions between the Agency and other governments have not been paid as of December 31, 2016 and 2015, these amounts have been recorded in the financial statements. (See Notes 5 and 7).

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements (Continued)
December 31, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use. Net position on the statement of net position includes net investment in capital assets. The balance is classified as unrestricted.

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 23, 2017.

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.

Note 4 - Assets Held for Others/Custodial Funds

On June 23, 2011 the Agency entered into an escrow agreement with a former PILOT participant ("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 the expiration of the escrow period, the Agency shall distribute, as promptly as practicable, any remaining escrow property to the Company.

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements (Continued)
December 31, 2016 and 2015

Note 5 - Sale of Austin Avenue 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 was recorded at fair market value of \$1.1 million as of the date received. These parcels of land were leased to the developer of the Austin Avenue Park, Morris Industrial Builders L.P. ("Morris"), under a long-term developmental lease. The lease was to expire in the year 2045, with two subsequent renewal options for thirty additional years, each. For the term of the lease, the Agency was to be the owner of the premises and the landlord.

In June 2016, this lease was terminated as part of the sale of a majority of the land to Morris for the sum of \$32 million payable as follows: a) \$25 million payable at closing; b) \$5 million payable when a building permit is issued for a new Target store (or similar retailer) on the purchased property ("New Store Improvements"); c) \$1 million payable 10 days after the opening of the New Store Improvements to the general public ("Opening Date"); and d) \$1 million payable on the first anniversary of the Opening Date. The remaining 9.9394 acres of land still retained by the Agency (See Note 2) is subject to a first purchase option by Morris at the appraised value agreed to by the parties, or the amount of the appraisal, whichever is less.

Note 6 - Promissory Note Receivable

In recognition that the \$7 million in excess of the \$25 million paid at the closing is dependent on when a building permit is issued for the New Store Improvements as indicated in Note 5 above (items b, c and d), the balance of the purchase price is also evidenced by a promissory note to the Agency by Morris requiring seven annual payments of \$1 million commencing July 1, 2021 through July 1, 2027. Any payments made pursuant to the promissory note payment schedule prior to the issuance of a building permit shall reduce the amounts required to be paid, first to item b) and then to payments for items c) and d) in Note 5 above. No interest is due on this note through June 30, 2020 but thereafter interest shall accrue and be payable at 3% per annum.

Note 7 - Due to Other Governments

Due to other governments as of December 31 consisted of the following:

	<u>2016</u>	<u>2015</u>
Mortgage tax benefit recapture	\$ 124,938	\$ 124,938
Operating costs - Due to County	<u>138,423</u>	<u>239,937</u>
Due to Other Governments - Current	<u>\$ 263,361</u>	<u>\$ 364,875</u>
County of Westchester	\$ 4,000,000	\$ -
City of Yonkers	<u>3,000,000</u>	<u>-</u>
Due to Other Governments - Non-Current	<u>\$ 7,000,000</u>	<u>\$ -</u>

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements (Continued)
December 31, 2016 and 2015

Note 8 - 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 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 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.

Note 9 - Rental Revenue Under Operating Leases

The Austin Avenue Park lease provided for periodic lease escalations based upon increases defined in the Amended Agreement of May, 2007. The escalations were to be enacted at the 20th, 25th, 30th, 35th, 45th and 55th anniversary of the lease. During each of the years ended December 31, 2016 and 2015, the Agency received \$590,000 and \$1,077,466 respectively, of rental income under the aforementioned lease arrangement. The terms of the "Austin Avenue" Five Party Agreement provided that the Agency must remit all of the rental income received from the aforementioned lease to both the County (2/3rd) and the City of Yonkers (1/3rd). Consequently, amounts due to the County and the City for each year have been netted against rental fees in the accompanying Statement of Activities. The Austin Avenue Park lease agreement was terminated in June 2016 as part of the sale of the Austin Avenue Park property to the lessee of the property (See Notes 5 and 6).

Note 10 - Related Party Transaction

During 2016 and 2015, 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 and Contract.

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Notes to Financial Statements (Concluded)
December 31, 2016 and 2015

Note 10 - Related Party Transaction (Continued)

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

	<u>2016</u>	<u>2015</u>
Personal services and fringe benefits	\$ 390,840	\$ 450,314
Space, supplies, equipment and other administrative expenses	<u>92,620</u>	<u>72,348</u>
Total	<u>\$ 483,460</u>	<u>\$ 522,662</u>
Due to the County at December 31,	<u>\$ 138,424</u>	<u>\$ 239,937</u>

In addition, the Agency has agreed to provide the County, on behalf of the Westchester-Putnam Local Workforce Investment Board ("WPLWIB"), \$200,000 to be used as an incentive for local businesses in Westchester County to hire and train county residents to better prepare them to function competently in their new jobs. Each business applicant may apply to the WPLWIB for up to \$20,000 for on the job training or customized training and/or business sector training to offset the cost of hiring. The balance remaining from the \$200,000 as of December 31, 2016 is \$28,023.

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SUPPLEMENTARY INFORMATION

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplementary Information
Schedule of Indebtedness - Bonds and Notes Issued, Outstanding or Retired
December 31, 2016

Project	Year of Issue	Original Issue Value	Outstanding Balance January 1, 2016	New Issues	Payments	Outstanding Balance December 31, 2016	Project Address
Andrus Memorial Julia Dyckman (Redeemed 4/1/2016)	1996	\$ 5,840,000	\$ 510,000	\$ -	\$ 510,000	\$ -	1156 North Broadway Yonkers, NY 10701
Hendrick Hudson Free Library (Redeemed 10/28/2016)	1996	2,300,000	974,711	-	974,711	-	185 Kings Ferry Road Montrose, NY 10548
Lawrence Hospital - Series A (Redeemed 9/21/2016)	1998	8,095,000	2,355,000	-	2,355,000	-	55 Palmer Avenue Bronxville, NY 10708
Lawrence Hospital - Series B (Redeemed 9/21/2016)	1998	10,810,000	7,685,000	-	7,685,000	-	55 Palmer Avenue Bronxville, NY 10708
Westchester Jewish Community Services	1998	3,450,000	1,145,000	-	90,000	1,055,000	Cedar Knolls School Hawthorne, NY 10532
Music Conservatory of Westchester	1999	4,500,000	2,780,000	-	125,000	2,655,000	216 Central Avenue White Plains, NY 10606
Levister Redevelopment	2001	34,000,000	23,848,104	-	38,104	23,810,000	1 Eastchester Lane Mount Vernon, NY 10550
Catharine Fieldhome	2001	16,645,000	12,045,000	-	565,000	11,480,000	2300 Catherine Street Cortlandt Manor, NY 10567
Ardsley Housing, LLC	2002	7,195,000	4,995,000	-	65,000	4,930,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	3,145,000	2,955,000	-	30,000	2,925,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	6,330,000	5,930,000	-	60,000	5,870,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	3,590,000	3,365,000	-	30,000	3,335,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2002	8,470,000	7,935,000	-	75,000	7,860,000	Silvia Avenue Ardsley, NY 10502
Hackley School	2003	16,000,000	4,115,000	-	315,000	3,800,000	293 Beekman Avenue Tarrytown, NY 10591
LC White Plains	2003	27,245,000	20,350,000	-	1,175,000	19,175,000	1 City Center Place White Plains, NY 10601
Schnurmacher Center for Rehabilitation and Nursing	2003	2,310,000	1,860,000	-	1,860,000	-	12 Tibbits Avenue White Plains, NY 10605
Young Adult Institute	2002	2,870,000	550,000	-	150,000	400,000	Multiple Locations
Northern Westchester Hospital Association	2004	16,000,000	9,185,000	-	855,000	8,330,000	400 East Main Street Mt. Kisco, NY 10549
Ardsley Housing, LLC	2004	8,155,000	7,600,000	-	70,000	7,530,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2004	6,290,000	5,890,000	-	60,000	5,830,000	Silvia Avenue Ardsley, NY 10502
Ardsley Housing, LLC	2004	6,865,000	6,425,000	-	60,000	6,365,000	Silvia Avenue Ardsley, NY 10502
Westchester Arts Council	2004	3,265,000	2,495,000	-	85,000	2,410,000	31 Mamaroneck Avenue White Plains, NY 10601
Clearview School - Series B	2005	1,215,000	1,115,000	-	25,000	1,090,000	550 Albany Post Road Briarcliff Manor, NY 10510
Mercy College	2005	10,140,000	4,570,000	-	730,000	3,840,000	555 Broadway Dobbs Ferry, NY 10522
Westchester Community Revitalization - Series A (Redeemed 6/21/2016)	2005	4,170,000	3,470,000	-	3,470,000	-	Multiple Locations
Greenburgh Housing, LLC	2006	12,240,000	11,390,000	-	160,000	11,230,000	90 Manhattan Avenue Greenburgh, NY 10607

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
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
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%	12/15/2028	Tax Exempt
Music Conservatory	Same as project address	Other	Variable Rate Demand Obligation	7/1/2029	Tax Exempt
All County Management	31-10 37th Avenue, Suite 500 Long Island City, NY 11101	Construction	5.85%	8/1/2052	Tax Exempt
Catherine Fieldhome	Same as project address	Construction	Variable Rate Demand Obligation	1/1/2031	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
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
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%	11/1/2033	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
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
Westchester Arts Council	Same as project address	Other	Variable Rate Demand Obligation	5/1/2034	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 4.25% to 4.85%	6/1/2032	Tax Exempt
Marathon Development	901 Main Street, Suit 300 Peekskill, NY 10566	Construction	5.75%	7/1/2039	Tax Exempt

(Continued)

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplementary Information
Schedule of Indebtedness - Bonds and Notes Issued, Outstanding or Retired (Continued)
December 31, 2016

Project	Year of Issue	Original Issue Value	Outstanding Balance January 1, 2016	New Issues	Payments	Outstanding Balance December 31, 2016	Project Address
Soundview School	2007	\$ 2,880,000	\$ 2,334,139	\$ -	\$ 84,833	\$ 2,249,306	370 Underhill Avenue Yorktown Heights, NY 10598
YMCA of Central & Northern Westchester (Redeemed 1/22/16)	2007	3,555,336	3,479,061	-	3,479,061	-	250 Mamaroneck Avenue White Plains, New York 10601
Westchester Meadows/Hebrew Hospital - Series 2008 (Redeemed 2016)	2008	14,995,000	5,455,000	-	5,455,000	-	61 Grasslands Road Valhalla, NY 10595
Washington House, LLC Series 2014A	2014	24,684,221	24,683,057	-	225,729	24,457,328	60 Union Avenue New Rochelle, NY 10801
Washington House, LLC Series 2014B (Redeemed 11/18/16)	2014	6,500,000	5,459,938	-	5,459,938	-	60 Union Avenue New Rochelle, NY 10801
Mamaroneck Towers Series 2014A	2014	8,992,800	8,894,183	-	112,337	8,781,846	233-235 Halstead Avenue Mamaroneck, NY 10543
Mamaroneck Towers Series 2014B (Redeemed 11/17/16)	2014	2,607,200	2,284,562	-	2,284,562	-	233-235 Halstead Avenue Mamaroneck, NY 10543
Mamaroneck Towers Series 2014C (Redeemed 11/17/16)	2014	500,000	500,000	-	500,000	-	233-235 Halstead Avenue Mamaroneck, NY 10543
Petrillo Apartments, LLC Series 2015A	2015	13,500,000	10,870,456	2,337,942	-	13,208,398	110-112 No. 3rd Ave. Mount Vernon NY 10550
Petrillo Apartments, LLC Series 2015B	2015	2,050,000	441,253	1,078,086	-	1,519,339	110-112 No. 3rd Ave. Mount Vernon NY 10550
Standard Snowden Venture Series 2016	2016	31,975,000	-	31,975,000	-	31,975,000	35 Snowden Ave. Ossining, NY 10567
Lakeview Apartments (WP Housing) 2016	2016	4,500,000	-	4,500,000	-	4,500,000	120 Lake Street White Plains NY 10604
Lakeview Apartments (WP Housing) 2016	2016	10,400,000	-	10,400,000	-	10,400,000	120 Lake Street White Plains NY 10604
Total Indebtedness		\$ 358,274,567	\$ 219,939,464	\$ 50,291,028	\$ 39,219,275	\$ 231,011,217	

See Independent Auditors' Report

Owner	Owner Address	Project Purpose Code	Interest Rate	Maturity Date	Federal Tax Status
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
Westchester Meadows - Hebrew Hospital	Same as project address	Other	Variable	7/1/2038	Tax Exempt
Washington House LLC	700 White Plains Road #363 Scarsdale, NY 10583	Other	3.08%	1/1/2052	Tax Exempt
Washington House LLC	700 White Plains Road #363 Scarsdale, NY 10583	Other	2.567%	1/1/2017	Taxable
Mamaroneck Towers L. P.	507 Taxter Road, Suite 673 Elmsford, NY 10523	Other	4.52%	12/31/2031	Tax Exempt
Mamaroneck Towers L. P.	507 Taxter Road, Suite 673 Elmsford, NY 10523	Other	SIFMA + 2.5%	6/30/2016	Tax Exempt
Mamaroneck Towers L. P.	507 Taxter Road, Suite 673 Elmsford, NY 10523	Other	1 month LIBOR + 3%	6/30/2016	Taxable
Petrillo Apartments, LLC	700 White Plains Road, Suite 363 Scarsdale NY 10583	Other	3.05% - 4.81%	2/1/2053	Tax Exempt
Petrillo Apartments, LLC	700 White Plains Road, Suite 363 Scarsdale NY 10583	Other	LIBOR + 2.4%	2/1/2018	Taxable
Standard Property Company, Inc	527 Madison Ave. Suite 1201 New York NY 10022	Other	4.00%	6/1/2048	Tax Exempt
WP Housing Company, Inc.	222 Dr. Martin Luther King Jr. Blvd White Plains NY 10601	Other	1.22%	12/1/2018	Tax Exempt
WP Housing Company, Inc.	222 Dr. Martin Luther King Jr. Blvd White Plains NY 10601	Other	variable	12/1/2056	Tax Exempt

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplementary Information
Schedule of Straight-Lease Transactions Executed in 2016
December 31, 2016

<u>Project</u>	<u>Project Address</u>	<u>Owner</u>	<u>Owner Address</u>
RMC	35 Valley Avenue Elmsford, NY 10523	RMD Valley, LLC	100 Clearbrook Road, Elmsford, NY 10523
Scotts Corner Market	55 Westchester Avenue Pound Ridge, NY 10576	Scotts Corner Market, Inc.	55 Westchester Ave. Pound Ridge, NY 10576
Norben Lofts, LLC	121 Westmoreland Ave. White Plains, NY 10606	Norben Lofts, LLC	144 Route 59, Suite 1 Suffern, NY 10901
Comstock Residential Contracting, LLC	690 Mamaroneck Ave. Mamaroneck, NY 10543	Comstock Residential Contracting, LLC	445 North State Road, Briarcliff Manor, NY 10510
Sheldrake Station Development, LLC	270 Waverly Ave. Mamaroneck, NY 10543	Halpern Real Estate Ventures	1325 Avenue of the Americas, New York, NY 10019

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>
\$ 22,000,000	\$ 575,000	\$ 229,000	-	3	-
2,500,000	130,000	-	52	14	52
15,486,650	418,750	150,800	-	6	-
6,530,000	150,000	56,000	-	6	-
34,414,386	800,000	325,000	-	5	-

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplementary Information
Schedule of Payments in Lieu of Taxes
December 31, 2016

Project	Project Address	Pilot Payments		
		Local	School	County
New York Life Insurance, Co.	1 Rockwood Road Sleepy Hollow, NY 10591	\$ 101,383	\$ 1,152,655	\$ 181,477
Levister Redevelopment Company, LLC	1 Eastchester Lane Mount Vernon, NY 10550	90,187	202,976	27,390
EB Armonk	90 Business Park Drive Armonk, NY 10504	65,973	277,182	60,562
Snowden House	35 Snowden Avenue Ossining, NY 10562	16,919	37,716	5,365
Westchester Wheelabrator	One Charles Point Avenue Peekskill, NY 10566	5,191,805	4,941,805	N/A
Avon Products, Inc.	601 Midland Avenue Rye, NY 10580	95,901	363,197	119,797
Pepsico, Inc.	700 Anderson Hill Road, Harrison, NY 10577	325,073	724,136	192,382
Bank Street Commons	10 Main Street White Plains, NY 10601	663,738	2,033,360	343,149
Life Time Fitness, Inc	1 Westchester Park Drive f/k/a Gannett Drive, Harrison	141,654	316,464	86,885
Cohen Brothers	333 Westchester Avenue White Plains, NY 10605	224,059	686,405	115,837
Bloomingdale Road Investors	100 Bloomingdale Road White Plains, NY 10601	341,615	1,046,537	176,613
LC White Plains, LLC (A)	1 City Center Place White Plains, NY 10601	574,737	1,760,706	297,136
City Center Residential, LLC (B)	1 City Center Place White Plains, NY 10601	163,627	500,725	86,972
SubTerrain Parking (C)	1 City Center Place White Plains, NY 10601	21,100	64,639	10,908
Kensico Terrace, LLC	24 South Kensico Terrace White Plains, NY 10601	12,017	36,813	6,213
1133 Westchester Avenue	1133 Westchester Avenue White Plains, NY 10605	643,040	1,969,952	332,448

County of Westchester Industrial Development Agency
(A Component Unit of the County of Westchester, New York)

Supplementary Information
Schedule of Payments in Lieu of Taxes (Continued)
December 31, 2016

Project	Project Address	Pilot Payments		
		Local	School	County
LCOR 55 Bank Street	55 Bank Street White Plains, NY 10601	\$ 20,859	\$ 63,900	\$ 10,784
Symphony Knoll	15-17 Mount Airy Road Croton-on-Hudson, NY 10520	1	-	-
422 Warburton, LLC	422 Warburton Street Hastings-on-Hudson, NY 10706	904	2,722	275
Lafarge North America	350 Broadway, Buchanan, NY 10511	14,039	372,534	67,881
Fairview Housing/Greenburgh Housing	Oak Street/Manhattan Ave Greenburgh, NY 10607	14,731	36,738	25,192
Westchester Meadows Hebrew Hospital Home of Westchester, Westchester Inc. (Chapter 11 1-8-16)	61 Grasslands Road Valhalla, NY 10595	-	-	-
Kendal on Hudson	1010 Kendal Way Sleepy Hollow, NY 10591	478,107	478,106	77,196
Tarrytown Corporate Center	520 White Plains Road Greenburgh, NY 10591	183,953	628,278	97,714
Regeneron Pharmaceuticals, Inc.	777 Old Saw Mill River Road Tarrytown, NY 10591	264,383	382,981	140,438
EBC White Plains, LLC	305 North Street White Plains, NY 10605	118,561	363,210	61,295
Main Street WP Hotel Associates, LLC	250 Main Street White Plains, NY 10601	58,276	178,527	30,128
Magnetic Analysis Corporation	103 Fairview Park Drive Elmsford, NY 10523	27,355	39,625	14,530
Rye Manor, LLC	300 Theall Ave Rye, NY 10580	31,519	63,038	-
Renamba. LLC	9 Saxon Wood Road Scarsdale, NY 10583	11,707	40,747	9,358
507 North State Road, LLC	507 North State Road Briarcliff Manor, NY 10510	6,902	27,512	3,151
Harbor Square Crossing	101 Westerly Road Ossining, NY 10562	117,196	267,252	34,481
Mamaroneck Towers, L.P	233-235 Halstead Ave. Mamaroneck, NY 10543	22,597	41,832	10,571

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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 Auditor's Report

**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, 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 County of Westchester Industrial Development Agency ("Agency") (a component unit of the County of Westchester, New York) as of and for the year ended December 31, 2016, and the related notes to the financial statements and have issued our report thereon dated March 23, 2017.

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 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

March 23, 2017