

YEDC

**Audit Committee Meeting
Of the
Yonkers Economic Development Corporation**

Preliminary Agenda

**Thursday, March 26, 2026
At 12:00 pm**

- 1) Roll Call**
- 2) Approval of Minutes for April 15, 2024**
- 3) Review and Discussion of Report to Audit Committee:**
 - 2025 Internal Control Letter**
 - Draft Audited Financial Statements for 2025**
- 4) Other Business/and Any Other Business that Comes Before the Board**
- 5) Adjournment**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

STATE OF NEW YORK
CITY OF YONKERS

-----X

Minutes of
The City of Yonkers YEDC
Audit Committee Meeting
April 15, 2024 - 12:37 P.M.

At
470 Nepperhan Avenue, Suite 200
Yonkers, New York 10701-3892

-----X

B E F O R E:

- CECILE SINGER - Chairperson (Excused)
- MELISSA NACERINO - Member
- VICTOR GJONAJ - Member

I D A S T A F F:

- JAIME MCGILL - IDA Executive Director
- JIM CAVANAUGH - IDA President & CEO
- SIBY OOMMEN - IDA/YEDC Chief Fiscal Officer

P R E S E N T:

- ROBERT DANIELE - PKF O'Connor Davies

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PROCEEDINGS

MS. NACERINO: Roll call?

MR. OOMMEN: Good afternoon.

Begin with roll call.

Victor Gjonaj?

MR. GJONAJ: Here.

MR. OOMMEN: Melissa Nacerino?

MS. NACERINO: Here.

MR. OOMMEN: Cecile Singer is excused. Madam Vice Chair, we have a quorum.

MS. NACERINO: Okay. First item of business, the vote to approve the minutes from the December 14th, 2023 meeting. Victor made a motion.

MR. GJONAJ: Aye.

MS. NACERINO: All in favor?

(A chorus of ayes.)

MS. NACERINO: The minutes have been approved. Third item on the agenda, we're going to review and discuss the report to the Audit Committee. We're going to turn to our auditors to report out.

MR. DANIELE: Okay. So thank

PROCEEDINGS

1
2 you again. We're presenting here the
3 Yonkers Economic Development
4 Corporation. Again, the financial
5 statements have been drafted and
6 reviewed by management thoroughly.
7 We'll be issuing these financial
8 statements as soon as they're accepted
9 today.

10 As far as the YEDC, we have
11 issued again what is termed an
12 unmodified opinion, which, again, is
13 a clean opinion, and it basically
14 states that the financial statements
15 present fairly, the financial
16 position of the corporation as of
17 December 31st, 2023, and in
18 accordance with the accounting
19 standards.

20 The audit field work is the
21 same as we discussed during our
22 planning meeting back in December, no
23 different than the IDA, Industrial
24 Development Agency, so I'm not going
25 to go through all of the required

PROCEEDINGS

1
2 communications. They're the same, as
3 I mentioned.

4 We are charged with forming an
5 opinion, and that's what I just
6 portrayed to you. Again, we don't
7 look at every transaction, but we
8 obtain reasonable assurance that the
9 financial statements are free from
10 material misstatements. And although
11 we do prepare the financial
12 statements, they're ultimately
13 management's responsibility.

14 So if we look to page two and
15 three, the Yonkers Economic
16 Development Corporation operated
17 similarly to the IDA. You can see
18 that they have operating revenues in
19 the form of agency fees to the tune
20 of \$1.1 million, consistent with last
21 year, although derived from different
22 avenues, if you will. Some of the
23 agency fees again were the Whitney
24 Young Manor closing, almost \$422,000,
25 Bridgewater North, \$75,000, 44 Hudson

PROCEEDINGS

1
2 Street, \$37,500.

3 The corporation did receive
4 some reimbursement from the City of
5 Yonkers. The corporation did lay out
6 some expenses for the Cacace garage,
7 mostly -- some in '22, some in '21
8 was reimbursed in '23. So that's
9 really a one-time reimbursement for
10 those expenses. It does have
11 operating expenses.

12 You can see that consulting
13 fees are down. Really, the
14 consulting expenses were the Cacace
15 expenses in 2022 and some in 2021,
16 nothing in 2023. And that's derived
17 from the reimbursement. Professional
18 fees, they're down, less legal fees,
19 2023. Your marketing and insurance
20 in line with 2022.

21 As far as community relations,
22 the YEDC did reduce spending in 2023
23 for community-type initiatives. It
24 had a large program in 2022. Those
25 costs are down significantly in 2023.

PROCEEDINGS

1
2 Overall when you factor in your
3 interest income, the corporation did
4 have revenues that exceeded
5 expenditures to the tune of \$809,000.
6 You're able to add that to your
7 opening net position of \$2.8 million,
8 and the end of the year of
9 \$3.6 million. If you turn to page
10 two, that \$3.6 million is all in the
11 form of cash and equipment.

12 So again, pretty good year for
13 the corporation. Same type of
14 activities as the Industrial
15 Development Agency.

16 MS. NACERINO: Okay. Thank
17 you.

18 MR. DANIELE: As far as the
19 internal control letter, again,
20 nothing to report. No management
21 comments. Again, we do have some
22 journal entries that we are required
23 to publish, but nothing to be alarmed
24 at. Everything is operating in
25 accordance to our understanding as it

PROCEEDINGS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

should be.

MS. NACERINO: Okay. Thank you. Any questions? No. So we will move to take a vote to accept the internal control letter, as well as the audited financial statements for 2023. Can I have a motion?

MR. GJONAJ: Aye.

MS. NACERINO: All in favor?

(A chorus of ayes.)

MS. NACERINO: So both the internal control letter and the audited financial statements for 2023 have been accepted.

Do we have any other business? No other business? Make a motion to close the meeting.

MR. GJONAJ: Motion.

MS. NACERINO: Second. All in favor?

(A chorus of ayes.)

MS. NACERINO: Meeting has been adjourned.

* * *

PROCEEDINGS

(Whereupon, at 12:41 P.M., the
above matter concluded.)

o o o o

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PROCEEDINGS
C E R T I F I C A T E

STATE OF NEW YORK)
 : S S . :
COUNTY OF WESTCHESTER)

I, NATHAN DAVIS, a Notary Public for
and within the State of New York, do hereby
certify:

That the above is a correct
transcription of my stenographic notes.

I further certify that I am not
related to any of the parties to this
action by blood or by marriage and that I
am in no way interested in the outcome of
this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 22nd day of April 2024.



NATHAN DAVIS

Yonkers Economic Development Corporation

**Financial Statements
and Other Supplementary Information**

December 31, 2025 and 2024

DRAFT

Yonkers Economic Development Corporation

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Statements of Net Position	7
Statements of Activities	8
Statements of Cash Flows	9
Notes to Financial Statements	10
Other Supplementary Information	
Schedule of Indebtedness –Bonds and Notes	14
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16



Independent Auditors' Report

The Board of Directors of the
Yonkers Economic Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yonkers Economic Development Corporation ("Corporation"), as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the Corporation's financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation, as of December 31, 2025 and 2024 and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Supplementary Information

Management is responsible for the other supplementary information included in the annual financial report. The other supplementary information consists of the Schedule of Indebtedness – Bonds and Notes but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other supplementary information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2026 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

PKF O'Connor Davies LLP
Harrison, New York
[REDACTED], 2026

Yonkers Economic Development Corporation

Management's Discussion and Analysis December 31, 2025

The following Management's Discussion and Analysis ("MD&A") of the Yonkers Economic Development Corporation's ("Corporation") activities and financial performance is provided as an introduction and overview of the financial statements of the Corporation for the year ended December 31, 2025. Management's Discussion and Analysis is Required Supplementary Information specified in the Government Accounting Standards Board ("GASB") Statement No. 34. Following this MD&A are the annual financial statements of the Corporation together with the notes to the financial statements which are important to understanding the data presented in the financial statements. This MD&A highlights certain supplementary information to assist with the understanding of the Corporation's financial operations.

Operations

The Corporation is a local development corporation and operates for the benefit of the City of Yonkers, New York ("City") and its populace to accomplish any or all of the purposes specified in the by-laws. Specific powers and duties are conferred to the Corporation with respect to bond issuances within the corporate limits of the City. All of the local zoning and planning regulations, as well as the regional and local comprehensive land use plans, are taken into consideration to carry out the duties of the Corporation.

Organized in a manner consistent with the Federal Section 115 status and New York State Public Authorities laws, the Mayor of the City is the sole member and appoints up to seven Board of Directors which is comprised of both public officials and business leaders. The current Board is comprised of four board members from the Yonkers Industrial Development Agency ("YIDA"). This Board governs the Corporation by establishing official policies and reviewing and approving requests for bond transactions. Operations and activities of the Corporation, its members, officers and employees are carried out in accordance with New York State law. In addition, the Corporation complies with the Public Authorities Accountability Act of the State of New York, as set forth within Article 4-A of the New York Executive Law.

The Corporation's mission is to assist YIDA in economic development and job growth throughout the City by providing certain taxable and tax exempt financial assistance on occasions where these incentives are no longer provided by YIDA or in instances where YIDA's ability to assist economic development projects has been significantly limited. In addition, the debt issuances of the Corporation will not be liabilities of the State of New York, the City or YIDA.

Financial Operations Highlights

The financial statements for the years ended December 31, 2025 and 2024 are attached. The chart below provides a condensed summary of revenues and expenses for the current and prior year.

	<u>2025</u>	<u>2024</u>
Operating Revenues	\$ 328,575	\$ 392,622
Operating Expenses	346,062	268,405

Financial Operations Highlights

Revenues for 2025 were derived from 4 projects and as follows:

YEDC Project Agency Fees

1. 21-23 Park Avenue - Bond	\$	5,281
2. Riverview II – Termination of Bonds		5,000
3. Ridge Hill – Increase MRTE		110,100
4. Park Square – Increase MRTE		200,000
		<u>\$ 320,381</u>

Grants

The Corporation received no grants in 2025 or 2024.

Agency Fees

The Corporation received agency fees on four projects (21-23 Park Ave, Riverview II, Ridge Hill, and Park Square) for a total of \$320,381. In 2024, received agency fees on five projects closed for a total of \$388,622.

Management Fees

The Corporation had no employees in 2025; therefore, there is no longer a management agreement.

Assets, Liabilities and Net Position

At year-end, the Corporation had \$4,070,949 in assets, \$21,800 in liabilities, and an unrestricted net position of \$4,049,149. A complete breakdown of these amounts is provided in the financial statements.

Supplementary Information

The Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued, Outstanding or Retired and the Schedule of Straight-Lease Transaction executed in 2025 are provided as supplementary information to the financial statements. This supplementary information is located following the notes to the financial statements.

Request for Information

This financial report is designed to provide a general overview of the Corporation's finances for all those with an interest in the Corporation finances. Questions and comments concerning any information provided in this report or requests for additional information should be addressed to the Executive Director, Yonkers Economic Development Corporation, 470 Nepperhan Avenue, Suite 200, Yonkers, New York 10701.

Yonkers Economic Development Corporation

**Statements of Net Position
December 31,**

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and equivalents	\$ 4,070,949	\$ 3,606,723
Accounts receivable	-	321,340
Total Assets	<u><u>\$ 4,070,949</u></u>	<u><u>\$ 3,928,063</u></u>
LIABILITIES		
Accounts payable	\$ 21,800	\$ 20,800
NET POSITION		
Unrestricted	<u>4,049,149</u>	<u>3,907,263</u>
Total Liabilities and Net Position	<u><u>\$ 4,070,949</u></u>	<u><u>\$ 3,928,063</u></u>

See notes to financial statements.

Yonkers Economic Development Corporation

**Statements of Activities
Year Ended December 31,**

	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Agency fees	\$ 320,381	\$ 388,622
Miscellaneous fees	8,194	4,000
Total Operating Revenues	<u>328,575</u>	<u>392,622</u>
OPERATING EXPENSES		
Consulting fees	-	49,573
Professional fees	27,650	27,100
Marketing	101,912	106,442
Insurance	5,201	8,131
Community initiatives	208,928	73,891
Miscellaneous	2,371	3,268
Total Operating Expenses	<u>346,062</u>	<u>268,405</u>
Gain (Loss) From Operations	(17,487)	124,217
NON-OPERATING REVENUES		
Interest income	159,373	152,777
Change in Net Position	141,886	276,994
NET POSITION		
Beginning of year	<u>3,907,263</u>	<u>3,630,269</u>
End of year	<u>\$ 4,049,149</u>	<u>\$ 3,907,263</u>

See notes to financial statements.

Yonkers Economic Development Corporation

Statements of Cash Flows
Year Ended December 31,

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 328,575	\$ 392,622
Cash payments for goods and services	<u>(23,722)</u>	<u>(588,595)</u>
Net Cash from Operating Activities	<u>304,853</u>	<u>(195,973)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>159,373</u>	<u>152,777</u>
Net Change in Cash and Equivalents	464,226	(43,196)
CASH AND EQUIVALENTS		
Beginning of year	<u>3,606,723</u>	<u>3,649,919</u>
End of year	<u>\$ 4,070,949</u>	<u>\$ 3,606,723</u>
RECONCILIATION OF GAIN (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Gain (loss) from operations	\$ (17,487)	\$ 124,217
Adjustments to reconcile gain from operations to net cash from operating activities		
Accounts receivable	321,340	(321,340)
Accounts payable	<u>1,000</u>	<u>1,150</u>
Net Cash from Operating Activities	<u>\$ 304,853</u>	<u>\$ (195,973)</u>

See notes to financial statements.

Yonkers Economic Development Corporation

Notes to Financial Statements
December 31, 2025 and 2024

Note 1 - Organization and Purpose

The Yonkers Economic Development Corporation ("Corporation") was created in 2007 as a local development corporation by the City of Yonkers, New York ("City") under the provisions of the IRS Section 115 for the purpose of assisting the Yonkers Industrial Development Agency ("YIDA") with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City. The Corporation is governed by Article 18-A of the General Municipal Law of the State of New York. The Corporation is exempt from Federal, State and local income taxes. The Corporation, although supported by YIDA, is a separate entity and operates cooperatively with YIDA. The Mayor of the City is the sole member of the Corporation and appoints the governing board for specified terms.

Note 2 - Summary of Significant Accounting Policies

Financial Reporting Entity

The Corporation has been identified as an organization related to the City. In accordance with the criteria enumerated in Governmental Accounting Standards Board ("GASB") Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", the Corporation is not considered a component unit of the City.

Basis of Accounting

The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Corporation 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 Corporation distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Corporation's principal ongoing operation. The principal operating revenue of the Corporation is Agency fees. Operating expenses include consulting fees, professional fees, marketing and insurance. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and Equivalents, Investment and Risk Disclosure

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

Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The Corporation has entered into a custodial agreement with its depository which holds its deposits. This agreement authorizes 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.

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

Yonkers Economic Development Corporation

Notes to Financial Statements (Continued)
December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

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

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

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. GASB Statement No. 40, "Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Corporation's name. The Corporation's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2025 and 2024.

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

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

Revenue Recognition

The Corporation charges an agency fee based on the amount of financing for each project at a predetermined rate. All such agency fees are collected and recognized as revenue at closing.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use. The net position of the Corporation is classified as unrestricted.

Yonkers Economic Development Corporation

Notes to Financial Statements (Continued)
December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

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 those 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 2026.

Note 3 - Stewardship, Compliance and Accountability

New Accounting Pronouncement

GASB Statement No. 102, "*Certain Risk Disclosures*", provides guidance on disclosure for risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. Under this Statement, a government is required to assess whether an event or events associated with a concentration or constraint that could cause substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of GASB Statement No. 102 are effective for the Corporation's fiscal year ended December 31, 2025. The Corporation's primary source of operating revenues consist of agency fees generated from projects undertaken in connection with the Yonkers Industrial Agency ("YIDA"). The Corporation's ability to generate operating revenues is dependent upon the volume and timing of financings and straight-lease transactions approved and closed through YIDA. A significant decline in economic development activity within the City of Yonkers, New York could adversely impact the Corporation's operating revenues. Management has determined that no events associated with this concentration have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Note 4 - Industrial Revenue Bonds and Notes and Straight-Lease Transactions

Certain bonds and notes issued by the Corporation are secured by property which is leased to companies and are retired by lease payments. The bonds and notes are not obligations of the Corporation, the City or New York State. The Corporation 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. Trustees maintain the information for these bonds and notes and no default notices have been generated in the current year. For providing this

Yonkers Economic Development Corporation

Notes to Financial Statements (Concluded)
December 31, 2025 and 2024

Note 4 - Industrial Revenue Bonds and Notes and Straight-Lease Transactions (Continued)

service, the Corporation receives bond administration fees from the borrowing companies. The fee received by the Corporation is one percent of the bond amount. In addition, the Corporation receives closing fees for straight-lease transactions of half of one percent of total project cost. Such administrative fee income is recognized immediately upon issuance of bonds and notes or closings on the lessor.

Note 5 - Risk Management

The Corporation purchases conventional insurance coverage for directors and officers liability. The current policy reflects a limit of \$1 million per occurrence with a policy limit of \$1 million for the period of the policy.

Note 6 - New Accounting Pronouncement

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", has been issued to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2025.

GASB Statement No. 105, "*Subsequent Events*", has been issued to improve the financial reporting requirements for subsequent events (recognized/nonrecognized), thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2026.

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

Yonkers Economic Development Corporation

Other Supplementary Information

December 31, 2025

DRAFT

Yonkers Economic Development Corporation

Supplementary Information
Statement of Indebtedness - Bonds and Notes
December 31, 2025

<u>Project Name Owner Name and Address</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue/ Authorization</u>
Riverview II	May 2010	May 2025	3.50 %	\$ 27,350,000
Lamartine/Warburton LLC (Series A)	November 2019	October 2054	2.40 - 2.50	35,740,000
Lamartine/Warburton LLC (Series A)	November 2020	October 2050	4.00 - 5.00	11,185,000
Lamartine/Warburton LLC (Series B)	November 2020	October 2027	5.00	530,000
Whitney Young Manor	December 2023	Jan-45	6.07	42,000,000
Abbey on Park	December 2024	April 2058	6.56	22,694,630
Total Indebtedness				<u>\$ 139,499,630</u>

DRAFT

See independent auditors' report.

Balance at January 1, 2025	New Issues	Retired in 2025	Balance at December 31, 2025
\$ 17,210,000	\$ -	\$ 17,210,000	\$ -
35,730,000	-	560,000	35,170,000
11,185,000	-	-	11,185,000
530,000	-	235,000	295,000
42,000,000	-	-	42,000,000
1,955,406	-	-	1,955,406
<u>\$ 108,610,406</u>	<u>\$ -</u>	<u>\$ 18,005,000</u>	<u>\$ 90,605,406</u>

DRAFT



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

Independent Auditors' Report

**The Board of Directors of the
Yonkers Economic Development Corporation**

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 Yonkers Economic Development Corporation ("Corporation") as of and for the year ended December 31, 2025 and the related notes to the financial statements, and have issued our report thereon dated [REDACTED], 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies LLP
Harrison, New York
 , 2026

DRAFT

Yonkers Economic Development Corporation

Schedule of Cash and Investments

December 31, 2025 and 2024

Yonkers Economic Development Corporation

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Schedule of Cash and Investments	3
Notes to Schedule of Cash and Investments	4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Schedule of Cash and Investments Performed In Accordance with <i>Government Auditing Standards</i>	6



Independent Auditors' Report

The Board of Directors of the
Yonkers Economic Development Corporation

Report on the Audit of the Schedule of Cash and Investments

Opinion

We have audited the Schedule of Cash and Investments ("Schedule") of the Yonkers Economic Development Corporation ("Corporation"), as of and for the years ended December 31, 2025 and 2024 and the related notes to the Schedule.

In our opinion, the accompanying Schedule and related notes referred to above present fairly, in all material respects, the cash and investments of the Corporation, as of December 31, 2025 and 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Schedule

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

Auditors' Responsibilities for the Audit of the Schedule

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

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2026 on our consideration of the Corporation'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 with respect to the Schedule. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance with respect to the Schedule.

PKF O'Connor Davies LLP
Harrison, New York
[REDACTED], 2026

Yonkers Economic Development Corporation

**Schedule of Cash and Investments
December 31,**

	<u>2025</u>	<u>2024</u>
Cash and equivalents	<u>\$ 4,070,949</u>	<u>\$ 3,606,723</u>

See accompanying notes to the Schedule of Cash and Investments.

Yonkers Economic Development Corporation

Notes to Schedule of Cash and Investments
Years Ended December 31, 2025 and 2024

Note 1 - Organization and Purpose

The Yonkers Economic Development Corporation ("Corporation") was created in 2007 as a local development corporation by the City of Yonkers, New York ("City") under the provisions of the IRS Section 115 for the purpose of assisting the Yonkers Industrial Development Agency ("YIDA") with promoting and supporting the development of commerce, bolstering employment and stimulating economic growth and prosperity in the City. The Corporation is governed by Article 18-A of the General Municipal Law of the State of New York. The Corporation is exempt from Federal, State and local income taxes. The Corporation, although supported by YIDA, is a separate entity and operates cooperatively with YIDA. The Mayor of the City is the sole member of the Corporation and appoints the governing board for specified terms.

Note 2 - Summary of Significant Accounting Policies

Cash and Equivalents, Investment and Risk Disclosure

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

Collateral is required for these deposits at 100% of all deposits not covered by Federal deposit insurance. The Corporation has entered into a custodial agreement with its depository which holds its deposits. This agreement authorizes 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.

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

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

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

The Corporation does not have any investments at December 31, 2025 and 2024.

Yonkers Economic Development Corporation

Notes to Schedule of Cash and Investments (Concluded)
Years Ended December 31, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies (Continued)

Risk Disclosure

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

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Corporation's name. The Corporation's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2025 and 2024.

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

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



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

Independent Auditors' Report

**The Board of Directors of the
Yonkers Economic Development Corporation**

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 Schedule of Cash and Investments ("Schedule") of the Yonkers Economic Development Corporation ("Corporation") as of and for the year ended December 31, 2025 and the related notes to the Schedule, and have issued our report thereon dated [REDACTED], 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule, we considered the Corporation's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation's Schedule will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, investment policies established by the Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.39(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the Schedule. 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies LLP
Harrison, New York
 , 2026



Yonkers Economic Development Corporation

Report to Those Charged with Governance

December 31, 2025

 2026

Prepared by

Robert A. Daniele, CPA

Partner

rdaniele@pkfod.com

A large, thick blue circle graphic that frames the text "KNOW GREATER VALUE".

**KNOW
GREATER
VALUE**

██████████, 2026

**The Board of Directors and Executive Director
Yonkers Economic Development Corporation**

We have audited the financial statements of Yonkers Economic Development Corporation ("Corporation") as of and for the year ended December 31, 2025 and have issued our report thereon dated ██████████, 2026.

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 4, 2025. Professional standards also require that we communicate to you the following information related to our audit.

We are pleased to be of service to you and the Corporation and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of Those Charged with Governance and management of the Corporation, is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

PKF O'Connor Davies LLP

Contents

Status of the Audit	4
Required Communications and Other Matters.....	5
Internal Control Over Financial Reporting	10
On the Horizon.....	11

Appendices

- 1 – Management Representation Letter
- 2 – About PKF O'Connor Davies, LLP

DRAFT

Status of the Audit

Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.
- PARIS report is required to be filed by March 31, 2026.

DRAFT

Required Communications and Other Matters

Required Item	Comments
<p>Auditor's responsibility under professional standards and planned scope and timing of the audit</p>	<p>We have communicated such information in our engagement letter to you dated December 4, 2025. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> • Forming and expressing an opinion on the financial statements. • Obtaining <i>reasonable assurance</i> that the financial statements are <i>free of material misstatements</i>, whether caused by error or fraud. • Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG"). • Maintaining professional skepticism. • Communicating audit related matters that are, in our professional judgment, significant to TCWG.
<p>Supplementary information accompanying the financial statements</p>	<p>Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.</p>
<p>Other Supplementary information accompanying the financial statements</p>	<p>Our responsibility for the other supplementary information accompanying the financial statements is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.</p>

Required Item	Comments
<p>Other information in documents containing audited financial statements</p>	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the auditors' report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>
<p>Our responsibilities under the Yellow Book</p>	<p>In connection with our audit we performed tests of the Corporation's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.</p>
<p>Responsibilities of management and TCWG</p>	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> • The fair presentation of the financial statements, including the selection of appropriate accounting policies. • Establishing and maintaining effective internal control. • Complying with laws, regulations, grants and contracts. • Providing the auditors with all financial records and related information and a signed representation letter. • Evaluate if there are any conditions or events, considered in the aggregate that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter. • Setting the proper tone at the top. • Designing and implementing policies and controls to prevent and detect fraud. <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p>

Required Item	Comments
<p>Qualitative aspects of accounting practices - Accounting Policies</p>	<p>Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year, except for the adoption of the provisions of Governmental Accounting Standards Board Statement No. 102, "Certain Risk Disclosures".</p> <p>The accounting policies of the Corporation conform to U.S. generally accepted accounting principles as applicable to state and local governments. The Corporation's reports are based on all applicable GASB pronouncements.</p> <p>We noted no transactions entered not by the Corporation during the year for which there is a lack of authoritative guidance or consensus.</p> <p>All significant transactions have been recognized in the financial statements in the proper period.</p>
<p>Qualitative aspects of accounting practices – Significant Unusual Transactions</p>	<p>No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.</p>
<p>Qualitative aspects of accounting practices - Accounting Estimates and Management's Judgment</p>	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.</p>
<p>Qualitative aspects of accounting practices - Financial Statement Disclosures</p>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <p>The financial statement disclosures are neutral consistent and clear.</p>

Required Item	Comments
Going concern	<p>The auditor is required to communicate with TCWG events or conditions that, when considered in the aggregate; indicate a substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.</p> <p>We concur with management's assessment that the Corporation will continue as a going concern for one year from the balance sheet date.</p>
Significant risks	<p>Significant risks are defined as risks that require special audit consideration without regard to identified controls related to those risks. In most audits, one or more significant risks normally arise. We have identified the following significant risks in connection with our audit:</p> <p>Management override of internal controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating efficiently. Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Our audit procedures did not identify any management override of internal controls.</p> <p>Improper revenue recognition to due to fraud</p> <p>Auditing standards require the auditor to ordinarily presume that improper revenue recognition is a fraud risk on all audit engagements unless the auditor can conclude that the risk is not applicable to the entity. Our audit procedures did not identify any improper revenue recognition due to fraud.</p> <p>The audit procedures applied as a result of the aforementioned significant risks were designed to and have reduced the risk of material misstatement to low.</p>
Difficulties encountered in performing the audit	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>

Required Item	Comments
<p>Corrected and uncorrected misstatements</p>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.</p> <p>We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their correction. There are no such financial statement misstatements that remain uncorrected.</p> <p>In addition, we are required to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no such corrected misstatements.</p>
<p>Disagreements with management</p>	<p>For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.</p>
<p>Management representations</p>	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 1).</p>
<p>Management's consultations with other accountants</p>	<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.</p>
<p>Auditor independence</p>	<p>We affirm that PKF O'Connor Davies, LLP is independent with respect to the Corporation in accordance with relevant professional standards.</p>
<p>Significant issues discussed with management prior to retention</p>	<p>We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Corporation's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Yonkers Economic Development Corporation ("Corporation") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 Corporation'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 and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

Harrison, New York
[REDACTED], 2026

On the Horizon

GASB Statement No. 103 – Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues as follows:

- **Management's Discussion and Analysis ("MD&A")** - This Statement requires that the information presented in the MD&A be limited to five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions or Conditions. The Statement requires that the detailed analyses within the MD&A should not only present the amounts or percentages of changes from the prior year, but also include explanations as to the reasons for the changes. The Statement emphasizes that only the most relevant information be presented by eliminating duplicative explanations and removing "boilerplate" discussions.
- **Unusual or Infrequent Items** - This Statement describes unusual or infrequent items as transactions and other events that are either unusual or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements.
- **Presentation of Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position** – This Statement requires that proprietary fund statements continue to distinguish between operating and nonoperating revenues and expenses as in the past. However, in addition to the subtotals currently presented, this Statement requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.
- **Major Component Unit Information** - This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If readability is reduced, combining statements of major component units should be presented after the fund financial statements.
- **Budgetary Comparison Information** – This Statement requires governments to present budgetary comparison information as Required Supplementary Information (similar to pension and other postemployment benefits reporting). Governments are also required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in the notes to the Required Supplementary Information.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025 (i.e., the Corporation's financial statements for the year ended December 31, 2026).

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

GASB Statement No. 104, "*Disclosure of Certain Capital Assets*", provides guidance on disclosures for capital assets to be presented by major class. The objective of this Statement is to provide government financial statement users with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Leased assets recognized in accordance with GASB Statement No. 87, "*Leases*" and subscription assets recognized in accordance with GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*" should be separately disclosed. In addition, this Statement requires any other intangible assets other than these types to also be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025 (i.e., the Corporation's financial statements for the year ended December 31, 2026).

GASB Statement No. 105 – *Subsequent Events*

GASB Statement No. 105, "*Subsequent Events*", has been issued to improve the financial reporting requirements for subsequent events (recognized/nonrecognized), thereby enhancing consistency in their application and both meeting the information needs of financial statement users.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026 (i.e., the Corporation's financial statements for the year ended December 31, 2027).

Appendix 1

Management Representation Letter

DRAFT

Appendix 2

About PKF O'Connor Davies, LLP

DRAFT



Founded in 1891, PKF O'Connor Davies has evolved from a regional accounting firm to an emerging national leader with more than 1,700 professionals and 21 offices in the U.S. Our team of top-notch professionals deliver a complete range of audit, tax and advisory services to a diverse and growing global client base. By bringing together a boutique firm culture with big-firm resources, we have a unique ability to connect with clients on a deeper level and create value where others can't.

REGIONAL CONNECTIONS BACKED BY GLOBAL EXPERTISE

We are the lead North American firm in the PKF International network of independent accounting and advisory firms with offices in over 400 cities, in 150 countries around the world. It's a relationship that delivers unmatched access to global expertise and strengthens our ability to serve clients anywhere in the world as their needs and their businesses continue to evolve.

PROACTIVE SERVICE MODEL, ENGAGED PARTNER BASE

With a proven, proactive service model and an engaged Partner base, PKF O'Connor Davies has built long-lasting, valuable relationships with our clients. Our industry leading 81.3 Net Promoter Score is more than double the industry average of 38, reflecting the satisfaction and loyalty of our clients.

Our Partners are actively involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. The Firm's seasoned professional staff members employ a team approach to all engagements, providing clients with the utmost quality and timely services aimed at helping them succeed.

KNOW GREATER VALUE

Our unwavering focus on value has consistently driven growth and delivered strong outcomes for our clients and our Firm. PKF O'Connor Davies currently ranks 25th on *Accounting Today's* 2025 "Top 100 Firms" list and continually gains acclaim as one of the country's fastest-growing firms. With more professionals, in more places every day, our teams are on the ground, at the ready and in the know. As the world changes, PKF O'Connor Davies clients will always Know Greater Value.

INDUSTRY RECOGNITION

- #25 of "Top 100 Firms"
- "Top Tax Firm"
- "Leader in Audit & Attest and Tax"
- #5 of "Top Firms in the Mid-Atlantic"
- *Accounting Today*, 2025
- "Best of Accounting Client Satisfaction"
- *ClearlyRated*, 2025
- "Top Accountancy Advisory"
- *Family Wealth Report*, 2025
- "America's Best Tax and Accounting Firms"
- *Forbes*, 2023
- "Accounting/Due Diligence Firm of the Year"
- *The M&A Advisor*, 2024
- #9 on "Vault's Accounting 25 List"
- *Vault*, 2026
- #1 in 11 Internship Categories, including "Best in Accounting," "Overall Internships" and "Quality of Life" (e.g., Compensation, Career Development and Training & Mentoring)
- *Vari*, 2026
- "Best Company to Work for in New York"
- *Rochester Business Journal* and *NYS Society for Human Resources Management*, 2025
- "Best Places to Work in NYC"
- *Crain's New York Businesses*, 2025
- "Best Places to Work in Westchester"
- *914INC*, 2026
- "Top Workplaces in Southern Connecticut"
- *Hearst Connecticut Media Group*, 2025
- "Best Places to Work in New Jersey"
- *NJBIZ*, 2025

KNOW GREATER VALUE

At PKF O'Connor Davies we maintain a relentless commitment to understanding each client's operations and financial history so we can uncover every challenge, help meet every objective and exceed expectations. Through our unwavering client focus we create deeper connections, delivering tailored support and expertise that drive real-world value.



ACCOUNTING & ASSURANCE

- Agreed-Upon Procedures
- Audits, Reviews and Compilations
- Employee Benefit Plan Audits, including ESOPs
- Endowment Fund Accounting
- Peer Review Services
- Public Company Services
- Public Sector Audits and Compliance
- SOC - System and Organizational Control Reporting



TAX SERVICES

- Business Tax
- Employee Benefit Planning and Tax Compliance
- International Tax (Asia, EU and Latin America Desks)
- Private Client Services
- R&D Tax Credit
- State and Local Tax (SALT)
- Trust and Estate Planning



BUSINESS CONSULTING

- ESG
- Litigation Support and Forensics (Fraud, Integrity Monitoring and Litigation Support)
- Operational and Cost Effectiveness
- Risk Advisory Services
 - Internal Audit
 - Regulatory Solutions (AML and SOX)
- Strategy and Transaction Advisory
 - Bankruptcy
 - Employee Stock Ownership Plans (ESOPs)
 - PKF Investment Banking
 - Acquisition Advisory
 - Exit Readiness and Transaction Planning
 - M&A Cybersecurity and Data Privacy Advisory
 - Sell-Side Advisory
 - Turnaround and Restructuring
- Strategy and Transformation



TECHNOLOGY & CYBERSECURITY

- Cybersecurity and Privacy
 - Cybersecurity Maturity Model Certification (CMMC)
 - Dark Web Monitoring
 - Digital Forensic Services
 - General Data Protection Regulation (GDPR)
 - M&A Cybersecurity and Data Privacy Advisory
 - Penetration Testing
 - Virtual Chief Information Security Officer Services (vCISO)
- IT and Cybersecurity Audit
- Technology Advisory



PRIVATE CLIENT SERVICES

- Family Office
- Private Business Owners
- Trust and Estate Planning



OUTSOURCED SERVICES

- CFO Solutions
- Outsourced Accounting
 - Portfolio Company Accounting
- Recruitment Services
- Virtual Chief Information Security Officer Services (vCISO)

"PKF O'Connor Davies" is the brand name under which PKF O'Connor Davies LLP and PKF O'Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O'Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O'Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O'Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



pkfod.com