

New York City Industrial Development Agency

(a component unit of The City of New York)

Financial Statements and Required Supplementary Information

**Years Ended June 30, 2025 and 2024
With Reports of Independent Auditors**



NYCIDA

New York City Industrial Development Agency

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Financial Statements and Required Supplementary Information

Years Ended June 30, 2025 and 2024

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I. Financial Section



Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

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Report of Independent Auditors

The Management and the Board of Directors
New York City Industrial Development Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the New York Industrial Development Agency (the Agency), a component unit of The City of New York, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents (collectively referred to as the "basic financial statements").

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the Agency at June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's 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 of material misstatement, whether due to fraud or error, and to issue an auditor's 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.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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



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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025 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 solely 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 effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Ernst & Young LLP

September 30, 2025

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Management's Discussion and Analysis

June 30, 2025 and 2024

This section of The New York City Industrial Development Agency's (IDA or the Agency) annual financial report presents our discussion and analysis of financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the financial statements and accompanying notes which follow this section.

2025 Financial Highlights

- Current assets decreased \$4.8 million (or 23%)
- Non-current assets increased \$7.3 million (or 92%)
- Current liabilities increased \$1.3 million (or 23%)
- Operating revenues increased \$4.7 million (or 73%)
- Operating expenses increased \$0.7 million (or 15%)
- Operating income increased \$4.0 million (or 216%)
- Change in net position was \$1.2 million in fiscal year 2025, as compared to \$1.7 million in fiscal year 2024

Overview of the Financial Statements

This annual financial report consists of two parts: Management's Discussion and Analysis (this section), and the *Basic Financial Statements*, which include footnote disclosures. IDA is considered a component unit of The City of New York (The City) for financial reporting purposes and is a public benefit corporation established by the laws of The State of New York (The State). IDA was established in 1974 to actively promote, retain, attract, encourage, and develop an economically sound commerce and industry base to mitigate unemployment and economic deterioration in The City.

IDA is a self-supporting entity and follows enterprise fund reporting. Enterprise fund statements offer short-term and long-term financial information about the Agency's activities.

New York City Industrial Development Agency
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Management's Discussion and Analysis (continued)

Financial Analysis of the Business-Type Activities of the Agency

Net Position – The following table summarizes IDA's financial position at June 30, 2025, 2024, and 2023 and the percentage change between June 30, 2025, 2024, and 2023 (dollars in thousands):

					% Change	
	2025	2024	2023	2025–2024	2024–2023	
Current assets	\$ 16,254	\$ 21,018	\$ 21,822	(23)%	(4)%	
Non-current assets	15,320	7,981	5,680	92	41	
Total assets	31,574	28,999	27,502	9	5	
Current liabilities	7,081	5,755	5,945	23	(3)	
Total liabilities	7,081	5,755	5,945	23	(3)	
Total net position	\$ 24,493	\$ 23,244	\$ 21,557	5	8	

Fiscal Year 2025 Activities

Total assets increased by \$2.6 million or 9% mainly due to fees received from 20 closings in fiscal year 2025, offset by payments made for special project costs. Of the Agency's total assets, non-current assets increased by \$7.3 million or 92% primarily due to the reinvestment of previously short-term investments into long-term securities upon maturity.

Total current liabilities increased by \$1.3 million or 23% primarily due to the timing of expenses incurred and payments made to the New York City Economic Development Corporation for reimbursement of costs paid on the Agency's behalf offset by a net decrease of \$0.4 million of deposits received in fiscal year 2025 for future closings.

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Management's Discussion and Analysis (continued)

Fiscal Year 2024 Activities

Total assets increased by \$1.5 million or 5% mainly due to operating income generated of \$1.9 million during fiscal year 2024. Of the Agency's total assets, non-current assets increased by \$2.3 million or 41% due to \$2.3 million of previously short-term investments being reinvested into long-term securities upon maturity.

Total current liabilities decreased by \$0.2 million or 3% primarily due to (1) the timing of expenses incurred and payments made to the New York City Economic Development Corporation for reimbursement of costs paid on the Agency's behalf and (2) the increase of deposits received in fiscal year 2024 for future closings.

Operating Activities

The Agency assists industrial and commercial participants through a "straight lease" transactional structure which provides tax benefits to participants to incentivize the acquisition and capital improvement of their facilities. Apart from the issuance of bonds to refund governmental bonds (including bonds for Yankee Stadium, LLC and Queens Baseball Stadium), the Agency has chosen not to issue new bonds. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. During the years ended June 30, 2025 and 2024, IDA did not issue any tax-exempt bonds.

The Agency charges various program fees, including application fees, financing fees, compliance monitoring fees, and post-closing fees. In certain circumstances, the Agency may also charge servicing fees on any recapture of benefits from companies defaulting on their compliance requirements for IDA benefits.

New York City Industrial Development Agency
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Management's Discussion and Analysis (continued)

Operating Activities (continued)

The following table summarizes IDA's changes in net position for fiscal years 2025, 2024 and 2023 and the percentage change between June 30, 2025, 2024 and 2023 (dollars in thousands):

	2025	2024	2023	% Change	
				2025-2024	2024-2023
Operating revenues:					
Fee income	\$ 11,124	\$ 6,356	\$ 2,482	75%	156%
Other income	22	77	89	(71)	(14)
Total operating revenues	11,146	6,433	2,571	73	150
Operating expenses:					
Management fees	4,940	4,400	4,400	12	—
Other expenses	319	172	159	86	8
Total operating expenses	5,259	4,572	4,559	15	—
Operating income (loss)	5,887	1,861	(1,988)	216	194
Non-operating (expenses) revenues:					
Investment income	1,257	1,250	562	1	122
Special project costs	(5,895)	(1,424)	(2,052)	314	(31)
Total non-operating expenses, net	(4,638)	(174)	(1,490)	2566	(88)
Change in net position	1,249	1,687	(3,478)	(26)	149
Beginning net position	23,244	21,557	25,035	8	(14)
Ending net position	\$ 24,493	\$ 23,244	\$ 21,557	5	8

Fiscal Year 2025 Activities

The Agency's net position increased by \$1.2 million or 5% largely due to operating income of \$5.9 million offset by net non-operating expenses of \$4.6 million.

The Agency's fiscal year 2025 operating income increased by \$4.0 million or 216% as compared to fiscal year 2024 and amounted to \$5.9 million. This increase in operating income was largely due to an increase in total finance fees generated of \$4.5 million as a result of 20 closings in fiscal year 2025, a two-fold increase over last year's results. The closing of three transactions: Empire Offshore Wind LLC, Wintergreen Clean Energy LLC, and 850 Third Avenue Owner LLC generated fees totaling \$5.0 million.

New York City Industrial Development Agency
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Management's Discussion and Analysis (continued)

Fiscal Year 2025 Activities (continued)

Special project costs increased by \$4.5 million or 314% primarily due to the addition of 11 active projects, including \$1.1 million of expenses incurred for the Venture Access NYC Founder Fellowship and \$1.3 million for the Hunts Point Cooperative Market ("The Meat Market" or "HPCM") Building Conditions Assessment project during fiscal year 2025.

Fiscal Year 2024 Activities

The Agency's net position increased by \$1.7 million or 8% largely due to operating income of \$1.9 million offset by net non-operating expenses of \$0.2 million.

The Agency's fiscal year 2024 operating income increased by \$3.8 million or 194% as compared to fiscal year 2023 and amounted to \$1.9 million. This increase in operating income was largely due to an increase in total finance fees generated of \$3.9 million, largely related to the closing of two transactions from the Sunnyside Studios Owner, LLC and 174 Power Global/East River ESS LLC projects.

Special project costs decreased by \$0.6 million or 31% primarily due to \$0.6 million of expenses incurred for the Kingsbridge Armory Visioning project during fiscal year 2023.

Contacting the Agency's Financial Management

This financial report is designed to provide our customers, clients, creditors, and the public with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Chief Financial Officer, New York City Industrial Development Agency, One Liberty Plaza, New York, NY 10006.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Net Position
(In Thousands)

	June 30	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents <i>(Note 3)</i>	\$ 3,832	\$ 3,188
Investments <i>(Note 3)</i>	9,193	14,516
Restricted cash	3,077	3,051
Fees receivable, net of allowance for doubtful accounts of \$10 and \$11, respectively	152	157
Other assets	—	106
Total current assets	<u>16,254</u>	<u>21,018</u>
Non-current assets:		
Investments <i>(Note 3)</i>	<u>15,320</u>	<u>7,981</u>
Total non-current assets	<u>15,320</u>	<u>7,981</u>
Total assets	<u>31,574</u>	<u>28,999</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	231	69
Due to New York City Economic Development Corporation	1,966	402
Unearned revenues	1,771	2,162
Other liabilities	3,113	3,122
Total current liabilities	<u>7,081</u>	<u>5,755</u>
Total liabilities	<u>7,081</u>	<u>5,755</u>
Net position – unrestricted	<u>\$ 24,493</u>	<u>\$ 23,244</u>

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	Year Ended June 30	
	2025	2024
Operating revenues:		
Fee income <i>(Note 2)</i>	\$ 11,124	\$ 6,356
Recapture and other related benefits <i>(Note 2)</i>	4	16
Other income <i>(Note 2)</i>	18	61
Total operating revenues	11,146	6,433
Operating expenses:		
Management fees <i>(Note 4)</i>	4,940	4,400
Other expenses	319	172
Total operating expenses	5,259	4,572
Operating income	5,887	1,861
Non-operating revenues (expenses):		
Investment income	1,257	1,250
Special project costs <i>(Note 5)</i>	(5,895)	(1,424)
Total non-operating expenses, net	(4,638)	(174)
Change in net position	1,249	1,687
Net position, unrestricted, beginning of year	23,244	21,557
Net position, unrestricted, end of year	\$ 24,493	\$ 23,244

See accompanying notes.

New York City Industrial Development Agency
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Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2025	2024
Cash flows from operating activities		
Financing and other fees	\$ 10,710	\$ 7,426
Management fees paid	(4,805)	(4,767)
Other expenses paid	(301)	(165)
Recapture benefits and other penalties received	34	8,598
Payment to NYC and other agencies of recaptured benefits	(34)	(8,588)
Payment to EDC for contingency fees	—	(1)
Other	121	(6)
Net cash provided by operating activities	<u>5,725</u>	<u>2,497</u>
Cash flows from investing activities		
Sale of investments	20,195	17,199
Purchase of investments	(21,864)	(16,417)
Investment income	935	793
Net cash (used in) provided by investing activities	<u>(734)</u>	<u>1,575</u>
Cash flows from non-capital financing activities		
Special project costs paid	(4,321)	(2,194)
Net cash used in non-capital financing activities	<u>(4,321)</u>	<u>(2,194)</u>
Net increase in cash and cash equivalents	670	1,878
Cash and cash equivalents at beginning of year	6,239	4,361
Cash and cash equivalents at end of year	<u>\$ 6,909</u>	<u>\$ 6,239</u>

New York City Industrial Development Agency
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Statements of Cash Flows (continued)
(In Thousands)

	Year Ended June 30	
	2025	2024
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 5,887	\$ 1,861
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Fees receivable	5	56
Other assets	106	—
Accounts payable and accrued expenses	162	(3)
Due to NYC Economic Development Corp.	(10)	(350)
Other liabilities	(34)	(62)
Unearned revenues	(391)	995
Net cash provided by operating activities	<u>\$ 5,725</u>	<u>\$ 2,497</u>
Supplemental disclosures of non-cash activities		
Unrealized gain on investments	<u>\$ 362</u>	<u>\$ 505</u>

See accompanying notes.

New York City Industrial Development Agency
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Statements of Fiduciary Net Position
(In Thousands)

	Custodial Funds	
	June 30	
	2025	2024
Assets		
Cash and cash equivalents	\$ 754	\$ 847
Total assets	754	847
Liabilities		
PILOT payable	754	847
Total liabilities	754	847
Net position – restricted	\$ –	\$ –

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Statements of Changes in Fiduciary Net Position
(In Thousands)

	Custodial Funds	
	Year Ended June 30	
	2025	2024
Additions		
PILOT collections	\$ 27,157	\$ 26,602
Total additions	<u>27,157</u>	<u>26,602</u>
Deductions		
PILOT payments disbursed	26,403	25,755
PILOT payments pending disbursement	754	847
Total deductions	<u>27,157</u>	<u>26,602</u>
Net increase in fiduciary net position	<u>—</u>	<u>—</u>
Net position – beginning of year	<u>—</u>	<u>—</u>
Net position – end of year	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements

June 30, 2025 and 2024

1. Background and Organization

The New York City Industrial Development Agency (IDA or the Agency), a component unit of The City of New York (The City) for financial reporting purposes, is a public benefit corporation of The State of New York (The State). IDA was established in 1974 to actively promote, retain, attract, encourage, and develop an economically sound commerce and industry base to mitigate unemployment and economic deterioration in The City.

The Agency is governed by a Board of Directors, which establishes official policies and reviews and approves applications for financial assistance. Its membership is prescribed by statute and includes a public official and mayoral appointees. Five of the mayoral appointees are appointed by the Mayor after nominations by The City's five Borough Presidents.

To support the activities of the Board of Directors, the Agency annually enters into a contract with the New York City Economic Development Corporation (NYCEDC), a not-for-profit corporation and a component unit of The City, organized to administer economic development programs which foster business expansion in The City. Under the terms set forth in the contract between NYCEDC and IDA, NYCEDC is to provide IDA with all the professional, administrative, and technical assistance it needs to accomplish its objectives.

The Agency assists industrial and commercial organizations primarily through "straight lease" transactional structures. The straight lease provides tax benefits to the participating organizations (the Project Companies) to incentivize the acquisition and capital improvement of facilities that they own or occupy. The Agency may also assist Project Companies with long-term, low-cost financing for capital assets through a financing transaction (the Financing Transaction), which includes the issuance of double and triple tax-exempt private activity bonds (PABs). However, apart from the issuance of bonds to refund governmental bonds (including bonds for Yankee Stadium, LLC and Queens Baseball Stadium), the Agency has chosen not to issue new bonds. The Project Companies, in addition to satisfying legal requirements under the Agency's governing laws, must meet certain economic development criteria. In addition to the issuance of tax-exempt and taxable bonds for certain transactions, the Agency may provide one or more of the following tax benefits: partial exemption from mortgage recording tax; payments in lieu of real property taxes (PILOT) that are less than full taxes; and exemption from City and State sales and use taxes as applied to construction materials and machinery and equipment. For more detailed information, please refer to the following website: <https://www.edc.nyc/nycida/financial-public-documents>.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

1. Background and Organization (continued)

In the past, the Agency issued PABs. The PABs are special non-recourse conduit debt obligations of the Agency which are payable solely from the rents and revenues provided for in the lease (Financing Lease) to the Project Company. The PABs are secured by a collateral interest in the Financing Lease, the Project Company's project property and, in certain circumstances, by guarantees from the beneficiary's principals or affiliates or other forms of additional security. Both the PABs and certain provisions of the Financing Lease are administered by an independent bond trustee appointed by the Agency.

When the Agency issues PABs, the proceeds of the PAB financing are conveyed to an independent bond trustee for disbursement to the Project Company. The Project Company leases the project or other collateral to the Agency for a nominal sum and the Agency, in turn, leases the property or other collateral back to the Project Company for a period concurrent with the maturity of the related PAB or the term of the tax benefits. Rental payments are calculated to be sufficient to meet the debt service obligation on the PAB. The Financing Lease includes a termination option, which allows the Project Company to cancel the Financing Lease for a nominal sum after satisfaction of all terms thereof.

The total governmental and PAB debt obligations outstanding totaled \$2.09 billion and \$2.18 billion for the years ended June 30, 2025 and 2024, respectively. For more detailed information, please refer to the following website: <https://www.edc.nyc/nycida/financial-public-documents>.

Due to the fact that: (1) the PABs are non-recourse conduit debt obligations to the Agency, (2) the Agency assigns its interest in the Financing Lease as collateral, and (3) the Agency has no substantive obligations under the Financing Lease (other than to convey back the project property at the end of the PAB term), the Agency has, in effect, none of the risks and rewards of the Financing Lease and related PAB financing. Accordingly, with the exception of certain fees derived from the Financing Transaction, the Financing Transaction itself is given no accounting recognition in the accompanying financial statements.

In addition to PAB financing, the Agency also issued governmental Tax-Exempt PILOT Revenue Bonds and Taxable Rental Revenue Bonds, Taxable Installment Purchase Bonds and Taxable Lease Revenue Bonds in connection with the construction of the new Yankee Stadium and Citi Field (the Stadia Projects). Yankee Stadium, LLC, a Delaware limited liability company, and Queens Ballpark, LLC, a New York limited liability company, undertook the design, development,

New York City Industrial Development Agency
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Notes to Financial Statements (continued)

1. Background and Organization (continued)

acquisition, and construction of the Stadia Projects. The Taxable Bonds are special limited obligations of the Agency and are payable solely from revenues derived from a Lease Agreement with Yankee Stadium, LLC and a Lease Agreement and Installment Sales Agreement with Queens Ballpark Company, LLC.

The governmental Tax-Exempt PILOT Bonds are special limited obligations of the Agency payable solely from PILOT revenues derived from PILOTs made by Yankee Stadium, LLC and Queens Ballpark Company, LLC. In addition, no commitments beyond the payments from the PILOT revenues were extended by the Agency for any of these bonds. At June 30, 2025 and 2024, the PILOT Bonds have an aggregate outstanding principal amount payable of \$1.51 billion and \$1.54 billion, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

IDA is classified as an “enterprise fund,” as defined by the Governmental Accounting Standards Board (GASB) and, as such, the financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

In accordance with GAAP, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred.

New York City Industrial Development Agency
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Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Revenue and Expense Classification

Operating revenues consist of fee income from application fees, financing fees, compliance monitoring fees, and post-closing fees. Fees are recognized as earned. Compliance monitoring fees are received annually in advance, deferred, and amortized into income as earned.

Other operating income represents administrative fees and amounts, primarily penalties, associated with the recapture of IDA benefits remitted by certain beneficiaries. Recaptured IDA benefits represent the difference between the full tax amount and the amounts actually paid by beneficiaries and result from a beneficiary's violation of an IDA agreement.

Recaptured benefits are recorded net of amounts due to The City and The State. The related recapture benefits that are due to The City are recorded as other liabilities until such time as they are disbursed to The City. For the year ended June 30, 2025, IDA remitted \$33,880 and zero to The City and The State, respectively, relating to recapture benefits. For the year ended June 30, 2024, IDA remitted \$8.2 million and \$0.4 million to The City and The State, respectively, relating to recapture benefits. IDA's operating expenses include management fees and other administrative expenses. All other revenues and expenses not described above are considered non-operating.

Cash Equivalents

The Agency considers all highly liquid investments purchased with original maturities of 90 days or less to be cash equivalents.

Investments

Investments held by the Agency are recorded at fair value.

Fiduciary Fund Statements

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position provide information on the Agency's fiduciary activities in Custodial Funds. The Custodial Funds report assets held by the Agency on behalf of The City. The Agency collects PILOT pursuant to the lease agreements between the Agency and its various lessees on behalf of The City and recognizes an offsetting liability payable to The City when the funds are received.

New York City Industrial Development Agency
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Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Recently Adopted and Upcoming Accounting Pronouncements

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The Agency adopted this statement as of July 1, 2024 and the adoption did not have a significant impact on the Agency's financial statements.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary 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. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The Agency is evaluating the impact this statement will have on its financial statements.

3. Deposits and Investments

Deposits

At year-end, IDA's unrestricted balance held in bank was approximately \$3.7 million. Of this amount, \$250,000 was covered by the Federal Depository Insurance Corporation (FDIC) and the remaining balance was collateralized with securities held by the pledging financial institution.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Investments

As of June 30, 2025 and 2024, the Agency had the following unrestricted investments (in thousands). Investments maturities are shown for June 30, 2025 only.

	Fair Value		2025	
			Investment Maturities	
	2025	2024	(In Years)	
			Less than 1	1 to 2
Money Market	\$ 137	\$ 33	\$ 137	\$ –
Federal Home Loan Bank Notes	4,350	11,006	2,896	1,454
Federal Farm Credit Bank Notes	12,727	2,270	2,288	10,439
Federal Home Loan Mortgage Co.	2,672	7,653	1,671	1,001
U.S. Treasuries	4,764	1,568	2,338	2,426
Total	24,650	22,530	\$ 9,330	\$ 15,320
Less: investments classified as cash equivalents	(137)	(33)		
Total unrestricted investments	\$ 24,513	\$ 22,497		

Fair Value Measurement – The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into these levels. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs, such as matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Level 3 inputs are unobservable and significant to the fair value measurement, such as discounted cash flows.

The Money Market Funds, categorized as Level 1, are valued at the unadjusted prices quoted in active principal markets for identical assets. U.S. Treasury and U.S. Agency securities, categorized as Level 2, are valued based on models using observable inputs.

IDA’s investment policy permits the Agency to invest in obligations of the United States, where the payment of principal and interest is guaranteed, or in obligations guaranteed by agencies of the United States. All investments are either insured or registered and held by the Agency or its agent in the Agency’s name.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

3. Deposits and Investments (continued)

Interest Rate Risk: The Agency has a formal investment policy which limits investment maturities to a maximum of two years from the date of purchase as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: It is the Agency's policy to limit its investments in debt securities to obligations of the United States and its agencies, and obligations of The State. As of June 30, 2025, the Agency's investments in Federal Home Loan Mortgage Co., Federal Home Loan Bank, Federal Farm Credit Bank, and U.S. Treasuries were rated AA+ by Standard & Poor's, Aa1 by Moody's Investor Services, Inc. (Moody's) and AA+ by Fitch Ratings (Fitch). Money market funds were rated Aaa by Moody's and AAA by Fitch.

Custodial Credit Risk: For investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments that are in the possession of the outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured or not registered in the name of the Agency and are held by either the counterparty or the counterparty's trust department or agent, but not in the Agency's name.

The Agency manages credit risk by limiting its custodial exposure to highly rated institutions and/or requiring high quality collateral to be held by the counterparty in the name of the Agency.

Concentration of Credit Risk: The Agency places no limit on the amount the Agency may invest in any United States government backed securities. The following table shows investments that represent 5% or more of total investments, including money market funds, as of June 30, 2025 and 2024 (dollars in thousands):

Issuer	Dollar Amount and Percentage of Total Investments					
	June 30, 2025			June 30, 2024		
Federal Home Loan Bank	\$	4,350	18%	\$	11,006	49%
Federal Farm Credit Bank		12,727	52		2,270	10
Federal Home Loan Mortgage Co.		2,672	11		7,653	34
U.S. Treasuries		4,764	19		1,568	7

New York City Industrial Development Agency
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Notes to Financial Statements (continued)

4. Management Fees and Other Charges

To support the activities of the IDA, the Agency annually enters into a contract with the NYCEDC. Under the terms set forth in the contract between NYCEDC and IDA, NYCEDC is to provide IDA with all the professional, administrative, and technical assistance it needs to accomplish its objectives. The fixed annual fee for these services of \$4.4 million is based on an agreement between NYCEDC and the Agency. The agreement also states that for each IDA transaction closing beyond the sixteenth closing, an additional \$135,000 will be due to NYCEDC. Such annual fees amounted to \$4.94 million and \$4.4 million for the years ended June 30, 2025 and 2024, respectively.

5. Commitments

Pursuant to various approved agreements between IDA and NYCEDC, IDA was committed to pay for projects being performed by NYCEDC related to The City's commerce and industrial development (the special project commitments). The total special project commitments under these agreements amounted to approximately \$16.5 million, with an outstanding commitment obligation at June 30, 2025 of approximately \$9.5 million.

New York City Industrial Development Agency
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Notes to Financial Statements (continued)

5. Commitments (continued)

The active Project Commitments, related approval dates, original and outstanding commitment balances are as follows (in thousands):

Project	Approval Date	Total Commitments	Life-to-date Expenditures	Current Total De-Obligate	Outstanding Commitment
Citywide Umbrella Mitigation Bank & Bush Terminal Pier 7	11/16/21	\$ 200	\$ (175)	\$ –	\$ 25
New York Protech Piloting Program	6/14/22	500	(385)	–	115
Venture Access NYC Pledge & Survey	7/26/22 & 3/25/25	344	(215)	–	129
Hunts Point Terminal Produce Market Freight Rail Study	9/20/22	111	(54)	(57)	–
	2/14/23 & 3/12/24 &				
Construct NYC Program	5/20/25	2,478	(758)	–	1,720
Commercial Real Estate Development Disparity Study	1/23/24	598	(191)	–	407
Long Island City Neighborhood Plan	1/23/24	197	(197)	–	–
Offshore Wind & Maritime Career Awareness Fair	3/12/24	20	(20)	–	–
Kips Bay Science District Education & Workforce Vision	6/11/24	350	(250)	(100)	–
Vernon C. Bain Center Site Assessments	7/23/24	295	(295)	–	–
Venture Access NYC Founder Fellowship	7/23/24	3,425	(1,087)	–	2,338
Bathgate Building Conditions Assessment	7/23/24	794	(681)	–	113
LifeSci NYC Internship Program	9/24/24	500	(342)	–	158
Provision of Application Software Development	11/19/24	500	(17)	–	483
Red Hook Rapid Resilience Assessment	11/19/24	284	(284)	–	–
Umbrella Mitigation Bank Site Investigations- Idlewild Park	11/19/24	75	–	–	75
Hunts Point Cooperative Market (HPCM) Building Conditions Assessment	1/28/25	1,791	(1,260)	–	531
Startup and Venture Capital Internship Programs	1/28/25	2,100	(412)	–	1,688
St. George Ferry Terminal South Side Bike & Pedestrian Access Improvement Study	5/20/25	175	(27)	–	148
Waterfront Pathways Program	5/20/25	1,782	(179)	–	1,603
		<u>\$ 16,519</u>	<u>\$ (6,829)</u>	<u>\$ (157)</u>	<u>\$ 9,533</u>

For the years ended June 30, 2025 and 2024, \$5.9 million and \$1.4 million, respectively, have been incurred by the Agency related to the above projects and are included in special project costs on the accompanying statements of revenues, expenses, and changes in net position.

New York City Industrial Development Agency
(A Component Unit of The City of New York)

Notes to Financial Statements (continued)

6. Contingencies

IDA, and in certain situations as co-defendant with The City and/or NYCEDC, is involved in personal injury, environmental claims, and other miscellaneous claims and lawsuits. In many of these matters, there is liability coverage insuring IDA, and IDA's clients are, in any case, obligated to indemnify IDA. IDA is unable to predict the outcome of each of these matters but believes that IDA has meritorious defenses or positions with respect thereto. It is management's opinion that, except for the matters noted below, the ultimate resolution of these matters will not be material to IDA.

Management believes that the following matters could have a material adverse effect on IDA's operations:

By letters dated January 7, 2009, December 2, 2009, and a Consent Order dated May 22, 2013, the New York State Department of Environmental Conservation (DEC) has notified IDA that DEC will seek contribution from IDA in connection with the remediation, respectively, of three sites in Brooklyn, one site in Long Island City, and another site in Queens that are or were used by project companies to which IDA has provided financial assistance. In addition, by letter dated July 2, 2025, DEC notified the Agency of potential off-site contamination at another site of a former project company in Brooklyn. No estimate can be determined at this time. IDA does not carry insurance that would cover any such costs. If IDA is found to have liability, IDA would be entitled to indemnification from these project companies.

In October 2024, Brooklyn Union Gas (d/b/a National Grid) filed a federal complaint in a lawsuit naming forty defendants including the City and IDA as potentially responsible parties, seeking contribution for remediation of the Gowanus Canal relating to its Superfund designation. IDA was named because of its involvement with eleven sites located in proximity to the Gowanus Canal, which were or are currently used by project companies to which IDA has provided financial assistance. The lawsuit is in an early discovery stage, so no estimate can be determined at this time. The City is providing defense for IDA in this matter, but IDA does not carry insurance that would cover any such liability. If IDA is found to have liability, IDA would be entitled to indemnification from these project companies.

IDA is unable to predict the outcome of the matters described above. It is possible that the remediation costs could be material and would exceed the project companies' ability to meet their indemnity obligations. IDA believes it has meritorious defenses with respect thereto.

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Notes to Financial Statements (continued)

7. Risk Management

IDA is exposed to various risks of loss-related torts; theft of, damage to, and destruction of, assets or property. IDA requires all beneficiaries to indemnify IDA and to purchase and maintain commercial liability and property insurance coverage for these risks and name IDA as an additional insured on liability policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage provided by the beneficiaries in any of the past fiscal years. In addition, IDA is an additional named insured on NYCEDC's general liability policy.

I. *Government Auditing Standards* Section



Ernst & Young LLP
One Manhattan West
New York, NY 10001-8604

Tel: +1 212 773 3000
ey.com

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

The Management and the Board of Directors
New York City Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the fiduciary activities of the New York City Industrial Development Agency (the Agency), a component unit of The City of New York, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements (collectively referred to as the "basic financial statements"), and have issued our report thereon dated September 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's basic 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.



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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the basic 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

September 30, 2025