

**Urban Renewal Agency of the
City of Mount Vernon, New York**

Housing Opportunities for Persons with AIDS Program

Financial Statements

Year Ended December 31, 2016

**Urban Renewal Agency of the
City of Mount Vernon, New York**

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Independent Auditors' Report

**The Honorable Mayor and Chairman of the
Mount Vernon Urban Renewal Agency
of the City of Mount Vernon, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Opportunities for Persons with AIDS Program of the Urban Renewal Agency of the City of Mount Vernon, New York ("Agency") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Opportunities for Persons with AIDS Program of the Agency, as of December 31, 2016, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 1A in the notes to financial statements which describes that these financial statements present only the Housing Opportunities for Persons with AIDS Program of the Agency and do not purport to, and do not, present fairly the financial position of the City of Mount Vernon, New York as of December 31, 2016 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 4 in the notes to financial statements, on March 31, 2016 the funding relationship between the City of Mount Vernon, New York and Westchester County, New York ("County") ended and the County has relinquished its claim to all Housing Opportunities for Persons with AIDS Program funding. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP
Harrison, New York
July 27, 2020

**Urban Renewal Agency of the
City of Mount Vernon, New York**

Housing Opportunities for Persons With Aids Program
Balance Sheet
December 31, 2016

ASSETS

\$ -

LIABILITIES AND FUND BALANCE

\$ -

The accompanying notes are an integral part of the financial statements.

**Urban Renewal Agency of the
City of Mount Vernon, New York**

Housing Opportunities for Persons With Aids Program
Statement of Revenues, Expenditures and
Changes in Fund Balance
Year Ended December 31, 2016

REVENUES

Federal aid \$ 131,147

EXPENDITURES

Current

Economic opportunity and development 129,340

Excess of Revenues over Expenditures 1,807

FUND BALANCE (DEFICIT)

Beginning of Year (1,807)

End of Year \$ -

The accompanying notes are an integral part of the financial statements.

Urban Renewal Agency of the City of Mount Vernon, New York

Housing Opportunities for Persons with AIDS Program
Notes to Financial Statements
December 31, 2016

Note 1 - Summary of Significant Accounting Policies

The Housing Opportunities for Persons with AIDS ("HOPWA") Program was created by the AIDS Housing Opportunity Act of 1990. The primary objective of the Act is "to provide states and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with "Acquired Immune Deficiency Syndrome".

The Urban Renewal Agency of the City of Mount Vernon, New York ("Agency") administers various Federal grant programs, principal of which are programs funded by the U.S. Department of Housing and Urban Development ("HUD") which provides grant assistance for locally determined activities.

The Agency is a subrecipient of the City of New York, who has been authorized to administer the HOPWA program for the City of Mount Vernon, New York ("City") and other communities in the region.

In addition to the above program, the Agency operates a Community Development Block Grant Program, a Continuum of Care Program and the Home Investment Partnership Act Program. The financial statements of these programs are being issued under separate cover.

The accounting policies of the Agency conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Agency's more significant accounting policies:

A. Basis of Presentation

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. The HOPWA Program of the Agency is treated as a governmental fund.

The accompanying financial statements present only the activities of the HOPWA Program and do not purport to, and do not, present fairly the financial position of the City as of December 31, 2016 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types are presented using the flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The reported unassigned fund balance is a measure of "available spendable resources".

The modified accrual basis of accounting is followed in the Agency's governmental fund type. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they are "measurable" and "available" to finance current operations. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current

Urban Renewal Agency of the City of Mount Vernon, New York

Housing Opportunities for Persons with AIDS Program (Continued)

Notes to Financial Statements

December 31, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

period or soon enough thereafter to be used to pay liabilities of the current period. A ninety day availability period is generally used for revenue recognition for most governmental fund revenues. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures, under the modified accrual basis, are generally recognized when the related fund liability is incurred.

C. 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 July 27, 2020.

Note 2 - Detailed Notes on Governmental Fund

A. Pension Plan

The Agency participates in the New York State and Local Employees' Retirement System ("ERS"). ERS is a cost-sharing multiple-employer defined benefit pension plan. The ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all assets and record changes in fiduciary net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the ERS. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the ERS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The ERS is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The ERS is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2017 are as follows:

Urban Renewal Agency of the City of Mount Vernon, New York

Housing Opportunities for Persons with AIDS Program (Continued)
Notes to Financial Statements
December 31, 2016

Note 2 - Detailed Notes on Governmental Fund (Continued)

<u>Tier/Plan</u>	<u>Rate</u>
3 A14	16.0%
4 A15	16.0
6 A15	9.3

Contributions made or accrued to the System and charged to all the Agency's programs for the current and two preceding years were as follows:

2016	\$	110,885
2015		105,103
2014		109,515

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The Agency's net pension liability, calculated in accordance with GASB Statement No. 68, "Accounting and Financial Reporting for Pensions", is reflected within the amounts reported in the City's government-wide financial statements.

B. Compensated Absences

Vacation time is generally taken in the year earned but can be carried over to succeeding years, subject to limitations as provided in the respective collective bargaining agreements. The Agency's total liability for compensated absences at December 31, 2016 was \$16,243, and this amount has been reflected in the City's Compensated Absences - Internal Service Fund.

C. Post-Employment Health Care Benefits

In addition to providing pension benefits, the Agency provides certain health care benefits for retired employees through a single employer defined benefit plan. Employees hired prior to September 1, 1982 may become eligible for these benefits if they reach normal retirement age while working for the Agency. The cost of retiree health care benefits is recognized as an expenditure as claims are paid. Employees hired after September 1, 1982 are not entitled to paid post-employment health care benefits. No amounts were paid on behalf of retirees during 2016.

The Agency's other post employment benefit obligation ("OPEB"), calculated in accordance with GASB Statement No. 45, including the unfunded actuarial accrued liability, the annual required contribution and the net OPEB obligation at the end of the year is reflected within the amounts reported in the City's government-wide financial statements.

Urban Renewal Agency of the City of Mount Vernon, New York

Housing Opportunities for Persons with AIDS Program (Concluded)

Notes to Financial Statements

December 31, 2016

Note 3 - Summary Disclosure of Significant Contingencies

The Agency participates in various Federal grant programs, principal of which are programs of the U.S. Department of Housing and Urban Development. These programs are subject to program compliance audits pursuant to Uniform Grant Guidance. Accordingly, the Agency's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Agency anticipates such amounts, if any, to be immaterial.

Note 4 - Dissolution of the HOPWA Program

The City was a subrecipient of HOPWA grant funds through Westchester County, New York ("County"). This funding relationship ended as of March 31, 2016 as the County relinquished its claim to all HOPWA funding. Participants who were served through the City's HOPWA program continue to receive subsidies and services through a County based 501(c)(3) organization.
