

Annual Report for Ithaca Urban Renewal Agency

Fiscal Year Ending: 12/31/2022

Run Date: 04/10/2023  
 Status: CERTIFIED  
 Certified Date: 04/04/2023

**Governance Information (Authority-Related)**

Question		Response	URL (If Applicable)
1.	Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/14643/2021-2022-Annual-Community-Assessment-Report-PDF">http://www.cityofithaca.org/DocumentCenter/View/14643/2021-2022-Annual-Community-Assessment-Report-PDF</a>
2.	As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/15117/2022-Internal-Controls-and-Separation-of-Duties-PDF">http://www.cityofithaca.org/DocumentCenter/View/15117/2022-Internal-Controls-and-Separation-of-Duties-PDF</a>
3.	Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL?	Yes	N/A
4.	Does the independent auditor provide non-audit services to the Authority?	No	N/A
5.	Does the Authority have an organization chart?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/15115/2022-Organizational-Chart-PDF">http://www.cityofithaca.org/DocumentCenter/View/15115/2022-Organizational-Chart-PDF</a>
6.	Are any Authority staff also employed by another government agency?	Yes	The Executive Director is the Director of Planning & Development for the City of Ithaca
7.	Has the Authority posted their mission statement to their website?	Yes	<a href="http://www.cityofithaca.org/290/Ithaca-Urban-Renewal-Agency">http://www.cityofithaca.org/290/Ithaca-Urban-Renewal-Agency</a>
8.	Has the Authority's mission statement been revised and adopted during the reporting period?	No	N/A
9.	Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL.		<a href="http://www.cityofithaca.org/DocumentCenter/View/14308/2021-CAPER-PDF">http://www.cityofithaca.org/DocumentCenter/View/14308/2021-CAPER-PDF</a>

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**Governance Information (Board-Related)**

Question	Response	URL (If Applicable)
1. Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL?	Yes	N/A
2. Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL?	Yes	N/A
3. Has the Board established a Finance Committee in accordance with Section 2824(8) of PAL?	Yes	N/A
4. Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established):		<a href="http://www.cityofithaca.org/DocumentCenter/View/2721/Committee-Structure">http://www.cityofithaca.org/DocumentCenter/View/2721/Committee-Structure</a>
5. Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL?	Yes	N/A
6. Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year		<a href="http://www.cityofithaca.org/AgendaCenter">http://www.cityofithaca.org/AgendaCenter</a>
7. Has the Board adopted bylaws and made them available to Board members and staff?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/1494">http://www.cityofithaca.org/DocumentCenter/View/1494</a>
8. Has the Board adopted a code of ethics for Board members and staff?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/2765">http://www.cityofithaca.org/DocumentCenter/View/2765</a>
9. Does the Board review and monitor the Authority's implementation of financial and management controls?	Yes	N/A
10. Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL?	Yes	N/A
11. Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL?		
Salary and Compensation	Yes	N/A
Time and Attendance	Yes	N/A
Whistleblower Protection	Yes	N/A
Defense and Indemnification of Board Members	Yes	N/A
12. Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824 (5) of PAL?	No	N/A
13. Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?	No	N/A
14. Was a performance evaluation of the board completed?	Yes	N/A
15. Was compensation paid by the Authority made in accordance with employee or union contracts?	No	N/A
16. Has the board adopted a conditional/additional compensation policy governing all employees?	No	

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**Board of Directors Listing**

<b>Name</b>	Farrell, Tracy	<b>Nominated By</b>	Local
<b>Chair of the Board</b>	No	<b>Appointed By</b>	Local
<b>If yes, Chair Designated by</b>		<b>Confirmed by Senate?</b>	N/A
<b>Term Start Date</b>	2/2/2000	<b>Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?</b>	Yes
<b>Term Expiration Date</b>	Pleasure of Authority	<b>Complied with Training Requirement of Section 2824?</b>	Yes
<b>Title</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?</b>	No
<b>Has the Board Member Appointed a Designee?</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?</b>	No
<b>Designee Name</b>		<b>Ex-Officio</b>	

<b>Name</b>	Fleming, Donna	<b>Nominated By</b>	Local
<b>Chair of the Board</b>	No	<b>Appointed By</b>	Local
<b>If yes, Chair Designated by</b>		<b>Confirmed by Senate?</b>	No
<b>Term Start Date</b>	8/25/2023	<b>Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?</b>	Yes
<b>Term Expiration Date</b>	Pleasure of Authority	<b>Complied with Training Requirement of Section 2824?</b>	Yes
<b>Title</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?</b>	No
<b>Has the Board Member Appointed a Designee?</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?</b>	No
<b>Designee Name</b>		<b>Ex-Officio</b>	

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<b>Name</b>	Graham, Karl	<b>Nominated By</b>	Local
<b>Chair of the Board</b>	No	<b>Appointed By</b>	Local
<b>If yes, Chair Designated by</b>		<b>Confirmed by Senate?</b>	N/A
<b>Term Start Date</b>	8/1/2012	<b>Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?</b>	Yes
<b>Term Expiration Date</b>	Pleasure of Authority	<b>Complied with Training Requirement of Section 2824?</b>	Yes
<b>Title</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?</b>	No
<b>Has the Board Member Appointed a Designee?</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?</b>	No
<b>Designee Name</b>		<b>Ex-Officio</b>	No

<b>Name</b>	Lewis, Laura	<b>Nominated By</b>	Local
<b>Chair of the Board</b>	No	<b>Appointed By</b>	Local
<b>If yes, Chair Designated by</b>		<b>Confirmed by Senate?</b>	No
<b>Term Start Date</b>	2/7/2022	<b>Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?</b>	Yes
<b>Term Expiration Date</b>	Pleasure of Authority	<b>Complied with Training Requirement of Section 2824?</b>	Yes
<b>Title</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?</b>	No
<b>Has the Board Member Appointed a Designee?</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?</b>	Yes
<b>Designee Name</b>		<b>Ex-Officio</b>	

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<b>Name</b>	Proulx, Chris	<b>Nominated By</b>	Local
<b>Chair of the Board</b>	Yes	<b>Appointed By</b>	Local
<b>If yes, Chair Designated by</b>	Local	<b>Confirmed by Senate?</b>	N/A
<b>Term Start Date</b>	9/1/2013	<b>Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?</b>	Yes
<b>Term Expiration Date</b>	Pleasure of Authority	<b>Complied with Training Requirement of Section 2824?</b>	No
<b>Title</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?</b>	No
<b>Has the Board Member Appointed a Designee?</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?</b>	Yes
<b>Designee Name</b>		<b>Ex-Officio</b>	

<b>Name</b>	Rosario, Eric	<b>Nominated By</b>	Local
<b>Chair of the Board</b>	No	<b>Appointed By</b>	Local
<b>If yes, Chair Designated by</b>		<b>Confirmed by Senate?</b>	N/A
<b>Term Start Date</b>	12/1/2012	<b>Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?</b>	Yes
<b>Term Expiration Date</b>	05/27/2022	<b>Complied with Training Requirement of Section 2824?</b>	No
<b>Title</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?</b>	No
<b>Has the Board Member Appointed a Designee?</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?</b>	No
<b>Designee Name</b>		<b>Ex-Officio</b>	

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<b>Name</b>	<b>Svante, Myrick H</b>	<b>Nominated By</b>	<b>Local</b>
<b>Chair of the Board</b>	<b>Yes</b>	<b>Appointed By</b>	<b>Local</b>
<b>If yes, Chair Designated by</b>	<b>Local</b>	<b>Confirmed by Senate?</b>	<b>N/A</b>
<b>Term Start Date</b>	<b>1/1/2012</b>	<b>Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?</b>	<b>Yes</b>
<b>Term Expiration Date</b>	<b>02/06/2022</b>	<b>Complied with Training Requirement of Section 2824?</b>	<b>No</b>
<b>Title</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?</b>	<b>No</b>
<b>Has the Board Member Appointed a Designee?</b>		<b>Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?</b>	<b>Yes</b>
<b>Designee Name</b>		<b>Ex-Officio</b>	

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**Staff Listing**

Name	Title	Group	Department/ Subsidiary	Union Name	Bargainin g Unit	Full Time/ Part Time	Exempt	Base Annualized Salary	Actual salary paid to the individual	Overtime paid by Authority	Performance Bonus	Extra Pay	Other Compensation/ Allowances/ Adjustments	Total Compensation	Individual also paid by another entity to perform the work of the Authority	If yes, Is the payment made by State or local government
Bohn, Nels	Director of Community Development	Managerial				FT	Yes	\$93,888.58	\$93,875.58	\$0.00	\$0.00	\$0.00	\$0.00	\$93,875.58	No	
Cook, Kim	Accountant	Profession al				PT	No	\$62,948.45	\$47,101.28	\$0.00	\$0.00	\$0.00	\$0.00	\$47,101.28	No	
Mendizabal, Anisa	Community Development Planner	Profession al				FT	No	\$60,057.31	\$60,060.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,060.00	No	
Pyott, Charles	Contracts Monitor	Operationa l				FT	No	\$54,438.11	\$54,436.20	\$0.00	\$0.00	\$0.00	\$0.00	\$54,436.20	No	

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**Benefit Information**

During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for former staff or individuals affiliated with the Authority after those individuals left the Authority?	No
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**Board Members**

Name	Title	Severance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
Farrell, Tracy	Board of Directors												X	
Fleming, Donna	Board of Directors												X	
Graham, Karl	Board of Directors												X	
Lewis, Laura	Board of Directors												X	
Proulx, Chris	Board of Directors												X	
Rosario, Eric	Board of Directors												X	
Svante, Myrick H	Board of Directors												X	

**Staff**

Name	Title	Severance Package	Payment for Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
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**Subsidiary/Component Unit Verification**

Is the list of subsidiaries, as assembled by the Office of the State Comptroller, correct?	Yes
Are there other subsidiaries or component units of the Authority that are active, not included in the PARIS reports submitted by this Authority and not independently filing reports in PARIS?	No

Name of Subsidiary/Component Unit	Status
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**Request Subsidiary/Component Unit Change**

Name of Subsidiary/Component Unit	Status	Requested Changes
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**Request Add Subsidiaries/Component Units**

Name of Subsidiary/Component Unit	Establishment Date	Purpose of Subsidiary/Component Unit
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**Request Delete Subsidiaries/Component Units**

Name of Subsidiary/Component Unit	Termination Date	Reason for Termination	Proof of Termination Document Name
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**Summary Financial Information**  
**SUMMARY STATEMENT OF NET ASSETS**

			Amount
<b>Assets</b>			
<b>Current Assets</b>			
	Cash and cash equivalents		\$1,860,759.00
	Investments		\$0.00
	Receivables, net		\$6,448,320.00
	Other assets		\$0.00
	Total current assets		\$8,309,079.00
<b>Noncurrent Assets</b>			
	Restricted cash and investments		\$0.00
	Long-term receivables, net		\$0.00
	Other assets		\$0.00
	Capital Assets		
		Land and other nondepreciable property	\$0.00
		Buildings and equipment	\$0.00
		Infrastructure	\$0.00
		Accumulated depreciation	\$0.00
		Net Capital Assets	\$0.00
	Total noncurrent assets		\$0.00
<b>Total assets</b>			<b>\$8,309,079.00</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
	Accounts payable		\$149,235.00
	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Accrued liabilities		\$0.00
	Deferred revenues		\$6,430,016.00
	Bonds and notes payable		\$0.00
	Other long-term obligations due within one year		\$0.00
	Total current liabilities		\$6,579,251.00
<b>Noncurrent Liabilities</b>			
	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Bonds and notes payable		\$0.00
	Long term leases		\$0.00
	Other long-term obligations		\$0.00
	Total noncurrent liabilities		\$0.00

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<b>Total liabilities</b>			\$6,579,251.00
<b>Net Asset (Deficit)</b>			
<b>Net Assets</b>			
	Invested in capital assets, net of related debt		\$0.00
	Restricted		\$1,729,828.00
	Unrestricted		\$0.00
	<b>Total net assets</b>		<b>\$1,729,828.00</b>

**SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**

			Amount
<b>Operating Revenues</b>			
	Charges for services		\$0.00
	Rental and financing income		\$850,705.00
	Other operating revenues		\$212,524.00
	<b>Total operating revenue</b>		<b>\$1,063,229.00</b>
<b>Operating Expenses</b>			
	Salaries and wages		\$255,473.00
	Other employee benefits		\$74,127.00
	Professional services contracts		\$39,032.00
	Supplies and materials		\$2,700.00
	Depreciation and amortization		\$0.00
	Other operating expenses		\$424,822.00
	<b>Total operating expenses</b>		<b>\$796,154.00</b>
<b>Operating income (loss)</b>			<b>\$267,075.00</b>
<b>Nonoperating Revenues</b>			
	Investment earnings		\$994.00
	State subsidies/grants		\$0.00
	Federal subsidies/grants		\$607,660.00
	Municipal subsidies/grants		\$0.00
	Public authority subsidies		\$0.00
	Other nonoperating revenues		\$0.00
	<b>Total nonoperating revenue</b>		<b>\$608,654.00</b>
<b>Nonoperating Expenses</b>			
	Interest and other financing charges		\$112.00
	Subsidies to other public authorities		\$0.00
	Grants and donations		\$851,574.00
	Other nonoperating expenses		\$0.00
	<b>Total nonoperating expenses</b>		<b>\$851,686.00</b>
	Income (loss) before contributions		\$24,043.00
<b>Capital contributions</b>			<b>\$0.00</b>

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<b>Change in net assets</b>				\$24,043.00
<b>Net assets (deficit) beginning of year</b>				\$1,705,785.00
<b>Other net assets changes</b>				\$0.00
<b>Net assets (deficit) at end of year</b>				\$1,729,828.00

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**Current Debt**

Question		Response
1.	Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	No
2.	If yes, has the Authority issued any debt during the reporting period?	

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**Schedule of Authority Debt**

Type of Debt			Statutory Authorization Amount (\$)	Begin Amount Total (\$)	New Debt Issuance (\$)	Amount Retired (\$)	End Amount Total (\$)
State Obligation	State Guaranteed						
State Obligation	State Supported						
State Obligation	State Contingent Obligation						
State Obligation	State Moral Obligation						
Other State-Funded	Other State-Funded						
Authority Debt - General Obligation	Authority Debt - General Obligation						
Authority Debt - Revenue	Authority Debt - Revenue						
Authority Debt - Other	Authority Debt - Other						
Conduit		Conduit Debt					
Conduit		Conduit Debt - Pilot Increment Financing					
<b>TOTALS</b>							

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**Real Property Acquisition/Disposal List**

<b>1. Address Line1</b>	240 Cherry Street	<b>Lease Data (If applicable)</b>	
<b>Address Line2</b>	1	<b>Market Rate(\$/square foot)</b>	1
<b>City</b>	ITHACA	<b>Lease Rate(\$/square foot)</b>	1
<b>State</b>	NY	<b>Seller/Purchaser/Tenant Data:</b>	1
<b>Postal Code</b>	14850	<b>Organization</b>	Precision Filters, Inc.
<b>Plus4</b>	1	<b>Last Name</b>	1
<b>Province/Region</b>	1	<b>First Name</b>	1
<b>Country</b>	United States	<b>Address Line1</b>	240 Cherry Street
<b>Property Description</b>	Vacant Lot/Undeveloped Land	<b>Address Line2</b>	1
<b>Estimated Fair market value</b>	\$39,400.00	<b>City</b>	ITHACA
<b>How was the Fair Market Value Determined?</b>	Other	<b>State</b>	NY
<b>Transaction Type</b>	DISPOSITION LEASE PURCHASE	<b>Postal Code</b>	14850
<b>If Other, Explain:</b>	1	<b>Plus4</b>	1
<b>Transaction Date</b>	10/24/2022	<b>Province/Region</b>	1
<b>Purchase Sale Price</b>	\$39,400.00	<b>Country</b>	USA
		<b>Relation With Board Member/Senior Authority Management?</b>	No

<b>2. Address Line1</b>	239 Cherry Street	<b>Lease Data (If applicable)</b>	
<b>Address Line2</b>	1	<b>Market Rate(\$/square foot)</b>	1
<b>City</b>	ITHACA	<b>Lease Rate(\$/square foot)</b>	1
<b>State</b>	NY	<b>Seller/Purchaser/Tenant Data:</b>	1
<b>Postal Code</b>	14850	<b>Organization</b>	Evaporated Metal Films Corp.
<b>Plus4</b>	1	<b>Last Name</b>	1
<b>Province/Region</b>	1	<b>First Name</b>	1
<b>Country</b>	United States	<b>Address Line1</b>	239 Cherry Street
<b>Property Description</b>	Vacant Lot/Undeveloped Land	<b>Address Line2</b>	1
<b>Estimated Fair market value</b>	\$26,640.00	<b>City</b>	ITHACA
<b>How was the Fair Market Value Determined?</b>	Other	<b>State</b>	NY
<b>Transaction Type</b>	DISPOSITION LEASE PURCHASE	<b>Postal Code</b>	14850
<b>If Other, Explain:</b>	1	<b>Plus4</b>	1
<b>Transaction Date</b>	10/27/2022	<b>Province/Region</b>	1
<b>Purchase Sale Price</b>	\$26,640.00	<b>Country</b>	USA

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		<b>Relation With Board Member/Senior Authority Management?</b>	No
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**Personal Property**

This Authority has indicated that it had no personal property disposals during the reporting period.

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**Property Documents**

Question		Response	URL (If Applicable)
1.	In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually of all real property of the Authority. Has this report been prepared?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/15119/2022-Real-Property-Inventory-PDF-">http://www.cityofithaca.org/DocumentCenter/View/15119/2022-Real-Property-Inventory-PDF-</a>
2.	Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring, and reporting of contracts for the acquisition and disposal of property?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/2587">http://www.cityofithaca.org/DocumentCenter/View/2587</a>
3.	In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be responsible for the Authority's compliance with and enforcement of such guidelines?	No	N/A

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**Additional Comments**

Certified Financial Audit for Ithaca Urban Renewal Agency  
 Fiscal Year Ending: 12/31/2022

Run Date: 04/10/2023  
 Status: CERTIFIED  
 Certified Date : 03/30/2023

**Financial Documents**

Question	Response
1. Attach the independent audit of the Authority's financial statements.	N/A

URL (If Applicable)	Attachments
<a href="http://www.cityofithaca.org/DocumentCenter/View/15110/2022-Financial-Report">http://www.cityofithaca.org/DocumentCenter/View/15110/2022-Financial-Report</a>	Attachment Included

Question	Response
2. Has the Authority's independent auditor issued a management letter to the Authority in connection with its audit of the Authority's financial statements?	Yes

URL (If Applicable)	Attachments
<a href="http://www.cityofithaca.org/DocumentCenter/View/15111/2022-Management-Comment-Letter">http://www.cityofithaca.org/DocumentCenter/View/15111/2022-Management-Comment-Letter</a>	Attachment Included
<a href="http://www.cityofithaca.org/DocumentCenter/View/15112/2022-Communication-Letter">http://www.cityofithaca.org/DocumentCenter/View/15112/2022-Communication-Letter</a>	Attachment Included

Question	Response
3. Has the Authority's independent auditor issued a Report on Internal Controls Over Financial Reporting to the Authority?	No

URL (If Applicable)	Attachments

Question	Response
4. Attach any other communication required or allowed by government auditing standards issued by the Comptroller General of the United States to be issued by the Authority's independent auditor in connection with its annual audit of the Authority's financial statements.	

URL (If Applicable)	Attachments

**Additional Comments**

Investment Report for Ithaca Urban Renewal Agency

Fiscal Year Ending: 12/31/2022

Run Date : 04/10/2023

Status: CERTIFIED

Certified Date: 03/30/2023

**Investment Information**

Question	Response	URL (If Applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925 (6) of PAL?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/15113/2022-Investment-Report-PDF">http://www.cityofithaca.org/DocumentCenter/View/15113/2022-Investment-Report-PDF</a>
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/15110/2022-Financial-Report">http://www.cityofithaca.org/DocumentCenter/View/15110/2022-Financial-Report</a>
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	No	

**Additional Comments**

Procurement Report for Ithaca Urban Renewal Agency

Fiscal Year Ending: 12/31/2022

Run Date: 04/10/2023

Status: CERTIFIED

Certified Date : 03/30/2023

**Procurement Information:**

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	<a href="http://www.cityofithaca.org/DocumentCenter/View/2587">http://www.cityofithaca.org/DocumentCenter/View/2587</a>
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	No	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	No	

Procurement Report for Ithaca Urban Renewal Agency

Fiscal Year Ending: 12/31/2022

Run Date: 04/10/2023

Status: CERTIFIED

Certified Date : 03/30/2023

**Procurement Transactions Listing:**

<b>1. Vendor Name</b>	H. Sicherman/The Harrison Studio	<b>Address Line1</b>	160 Washburn St., Suite 200
<b>Type of Procurement</b>	Consulting Services	<b>Address Line2</b>	PO Box 473
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	LOCKPORT
<b>Award Date</b>	3/1/2022	<b>State</b>	NY
<b>End Date</b>	2/28/2023	<b>Postal Code</b>	14095
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$10,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$2,259.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Loan underwriting services and community development consulting

<b>2. Vendor Name</b>	Human Services Coalition of Tompkins County	<b>Address Line1</b>	118 N Tioga St
<b>Type of Procurement</b>	Consulting Services	<b>Address Line2</b>	Suite 304
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	ITHACA
<b>Award Date</b>	5/20/2022	<b>State</b>	NY
<b>End Date</b>		<b>Postal Code</b>	14850
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$10,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$10,000.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Preparation of homeless housing needs assessment

Procurement Report for Ithaca Urban Renewal Agency

Fiscal Year Ending: 12/31/2022

Run Date: 04/10/2023

Status: CERTIFIED

Certified Date : 03/30/2023

<b>3. Vendor Name</b>	Mariette Geldenhuys Attorney at Law	<b>Address Line1</b>	Clinton House, Suite 301
<b>Type of Procurement</b>	Legal Services	<b>Address Line2</b>	103 W Seneca St
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	ITHACA
<b>Award Date</b>	3/1/2022	<b>State</b>	NY
<b>End Date</b>	2/28/2023	<b>Postal Code</b>	14850
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$12,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$12,226.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Professional services selected by RFP

<b>4. Vendor Name</b>	Midland Appraisal Associates, Inc.	<b>Address Line1</b>	349 W Commercial St
<b>Type of Procurement</b>	Other Professional Services	<b>Address Line2</b>	Suite 2290
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	EAST ROCHESTER
<b>Award Date</b>	1/4/2022	<b>State</b>	NY
<b>End Date</b>	5/4/2022	<b>Postal Code</b>	14445
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$9,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$9,000.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Appraisal services



Procurement Report for Ithaca Urban Renewal Agency

Fiscal Year Ending: 12/31/2022

Run Date: 04/10/2023

Status: CERTIFIED

Certified Date : 03/30/2023

<b>5. Vendor Name</b>	Roger Rotondi	<b>Address Line1</b>	314 Ithaca Rd
<b>Type of Procurement</b>	Consulting Services	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	ITHACA
<b>Award Date</b>	11/3/2022	<b>State</b>	NY
<b>End Date</b>		<b>Postal Code</b>	14850
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$5,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$5,000.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Feasibility study for shared commercial kitchen

<b>6. Vendor Name</b>	Sharon Sulimowicz Attorney at law	<b>Address Line1</b>	118 N. Tioga Street
<b>Type of Procurement</b>	Legal Services	<b>Address Line2</b>	Suite 202
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	ITHACA
<b>Award Date</b>	3/1/2022	<b>State</b>	NY
<b>End Date</b>	2/28/2023	<b>Postal Code</b>	14850
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$8,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$2,611.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Procurement of Legal Services via competitive RFP

Procurement Report for Ithaca Urban Renewal Agency

Fiscal Year Ending: 12/31/2022

Run Date: 04/10/2023

Status: CERTIFIED

Certified Date : 03/30/2023

**Additional Comments**

# **ITHACA URBAN RENEWAL AGENCY**

**Ithaca, New York**

## **FINANCIAL REPORT**

**For the Year Ended  
December 31, 2022**



# ***ITHACA URBAN RENEWAL AGENCY***

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Ithaca Urban Renewal Agency  
Ithaca, New York

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Ithaca Urban Renewal Agency (the Agency), a blended component unit of the City of Ithaca, whose activity is reported in the Special Grant Fund, a governmental fund in the City of Ithaca's financial statements, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic 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 respective financial position of the fund information of the Ithaca Urban Renewal Agency, as of December 31, 2022, and the respective changes in financial position thereof for the year 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 Agency 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 opinions.

#### Emphasis of Matter

As discussed in Note 1, the financial statements present only the Special Grant Fund and do not purport to, and do not, present fairly the financial position of the City of Ithaca, as of December 31, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **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 Agency'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.

## **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 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 requires 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 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 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 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of the Agency’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

**Other Reporting Required by New York State Public Authorities Law**

We have also issued our report dated March 27, 2023 on our consideration of the Agency’s compliance with §2925(3)(f) of the New York State Public Authorities Law. The purpose of that report is to describe anything that came to our attention that caused us to believe the Agency failed to comply with the Agency’s Investment Guidelines, the New York State Comptroller’s Investment Guidelines, and §2925(3)(f) of the New York State Public Authorities Law.

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
March 27, 2023

# ***ITHACA URBAN RENEWAL AGENCY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022**

The following is a discussion and analysis of the Ithaca Urban Renewal Agency's (the Agency) financial performance for the fiscal year ended December 31, 2022. The Agency is a blended component unit reported in the Special Grant Fund, a special revenue fund of the City of Ithaca. This section is a summary of the Agency's financial activities based on currently known facts, decisions, or conditions. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the Agency's financial statements, which immediately follow this section.

The Ithaca Urban Renewal Agency is a public benefit corporation established in 1965 as an urban renewal agency. The Agency has a corporate identity separate from the City and works in close conjunction with the City to revitalize urban neighborhoods and strengthen the local economy. The Agency is composed of the Mayor and four members appointed by the Mayor with the concurring approval of the Common Council. The Director of Planning and Development for the City of Ithaca serves as the Executive Director of the Agency.

### **FINANCIAL HIGHLIGHTS**

Fund balance of \$1,729,828 increased by \$24,043 in 2022, from \$1,705,785 in 2021.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of two parts: MD&A (this section) and the financial statements of the Special Grant Fund.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

### **Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance**

The Agency's financial statements include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance, and they are reported using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include state and federal aid. Revenues deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.



# ***ITHACA URBAN RENEWAL AGENCY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022**

### **FINANCIAL ANALYSIS**

The Agency's fund balance for the fiscal years ended December 31, 2022 increased by \$24,043 and decreased in 2021 by \$81,389. The reason for the increase in fund balance was due to greater departmental income than program expenditures. Our analysis below focuses on the fund balance (*Figure 1*) and changes in fund balance (*Figure 2*) of the Agency's fund.

*Figure 1*

<i>Balance Sheet</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Cash and Cash Equivalents</i>	\$ 1,860,759	\$ 1,830,912	\$ 29,847
<i>Other Receivables</i>	18,304	14,461	3,843
<i>Loans Receivable</i>	6,430,016	6,347,332	82,684
<b><i>Total Assets</i></b>	<b>8,309,079</b>	<b>8,192,705</b>	<b>116,374</b>
<i>Accounts Payable</i>	149,235	139,588	9,647
<b><i>Total Liabilities</i></b>	<b>149,235</b>	<b>139,588</b>	<b>9,647</b>
<i>Unavailable Revenue</i>	6,430,016	6,347,332	82,684
<b><i>Total Deferred Inflows of Resources</i></b>	<b>6,430,016</b>	<b>6,347,332</b>	<b>82,684</b>
<i>Restricted Fund Balance</i>	1,729,828	1,705,785	24,043
<b><i>Total Fund Balance</i></b>	<b>\$ 1,729,828</b>	<b>\$ 1,705,785</b>	<b>\$ 24,043</b>

*Figure 2*

<i>Changes in Fund Balance</i>	<i>2022</i>	<i>2021</i>	<i>Total Dollar Change</i>
<i>Revenues:</i>			
<i>Use of Money and Property</i>	\$ 994	\$ 1,326	\$ (332)
<i>Departmental Income</i>	607,660	865,991	(258,331)
<i>Federal Sources</i>	1,063,229	1,076,063	(12,834)
<b><i>Total Revenues</i></b>	<b>\$ 1,671,883</b>	<b>\$ 1,943,380</b>	<b>\$ (271,497)</b>
<i>Expenditures:</i>			
<i>Home and Community Services</i>	\$ 1,647,840	\$ 2,024,769	\$ (376,929)
<b><i>Total Expenditures</i></b>	<b>\$ 1,647,840</b>	<b>\$ 2,024,769</b>	<b>\$ (376,929)</b>
<b><i>CHANGE IN FUND BALANCE</i></b>	<b>\$ 24,043</b>	<b>\$ (81,389)</b>	<b>\$ 105,432</b>

# ***ITHACA URBAN RENEWAL AGENCY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022**

Grant income from the City of Ithaca is determined by the level of funding of the City's HOME and CDBG programs by HUD. The Agency continues to create program income from federal funds that no longer have ongoing federal compliance requirements and uses these funds to further economic development in the City. Departmental income was down because there were less payments of principal and interest on loans receivable, while home and community service expenditures reflected less project activity.

### **FACTORS BEARING ON THE AGENCY'S FUTURE**

The Agency derives approximately 44% of its annual revenues to support operations from federal funding sources, primarily the HUD Entitlement Grant program that awards formula funding to the City of Ithaca totaling over \$1 million in FY2022. Of this amount, approximately \$158,000 (~16%) can be applied to operating expenses to support the IURA operating budget of approximately \$418,000.

Special COVID-19 related HUD CDBG and HOME-ARP funding allocated to the City of Ithaca provided additional one-time administrative funding in FY 2022 budget. The HOME-ARP award, for example, allocates a total of \$180,000 in administrative funding over an approximately 3-year period through 2024.

Recent federal budgets have allocated essentially level annual CDBG and HOME funding awards to the City of Ithaca that will be utilized through the IURA's 2024 fiscal year. Overall, no major reduction in federal funding is anticipated, though congressional deliberations to raise the federal debt limit may result in reduced domestic spending in future years. Reliance on the HUD Entitlement Grant program for core funding remains a budgetary concern for the Agency.

86% of the Agency's operating budget is allocated to salaries and employee benefits for the 3.6 FTE Agency staff. Though salary levels and benefits have tracked closely with the rate of inflation, HUD Entitlement Grant funding has remained essentially flat for over a decade, notwithstanding the one-time CARES and ARPA act funding.

Historic trends for health insurance premiums have significantly exceeded the rate of inflation, which creates a long-term budgetary concern. Employees pay 20% of the premium for a platinum health insurance plan that approximates benefits provided to City of Ithaca employees.

The recent high annual inflation rate poses a challenge for future IURA budgeting, as IURA funding sources have not generally increased at the rate of inflation. Federal budgeting for the HUD Entitlement Program does not necessarily factor in CPI increases. If the inflation rate is not mitigated, the Agency will likely face expenses increasing at a rate faster than revenues. Offsetting the above budgetary constraints and trends are one-time COVID-19-related grant revenues, increased fees from providing professional services to the City, increased small business lending, and opportunities for increased revenues from undertaking private-public urban renewal projects, such as redevelopment of public lands on Inlet Island, which was conceptually approved in 2022.

# ***ITHACA URBAN RENEWAL AGENCY***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022**

Overall, special one-time HUD awards (CDBG-CV and HOME-ARP) will allow the 2023 budget to be fully funded from projected revenues. These one-time funds will be largely exhausted after 2024, when the IURA operating budget may turn from an operating surplus to an operating loss in 2025 if additional revenue sources are not identified. Sale of land for an urban renewal project, such as the Inlet Island project, may result in lump sum revenue event or a new stream of revenues if structured as an owner-financed loan to the project sponsor.

Should there be a shortfall in future years, funds can be drawn from the existing unrestricted cash accounts exceeding \$550,000 to balance the budget for a time.

In the longer term, the Agency will continue to work to reduce its reliance on federal funding revenues by diversifying its revenue streams to include urban renewal projects, real property sales, small business loans, and property leases to ensure continued financial stability and retain current staffing capacity.

### **CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Ithaca Urban Renewal Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Agency's Director, City Hall, 108 E. Green Street, 3<sup>rd</sup> Floor, Ithaca, New York 14850.

# ***ITHACA URBAN RENEWAL AGENCY***

## **BALANCE SHEET SPECIAL GRANT FUND DECEMBER 31, 2022**

### **ASSETS**

Cash and Cash Equivalents - Unrestricted	\$ 130,931
Cash and Cash Equivalents - Restricted	1,729,828
Other Receivables	18,304
Loans Receivable	6,430,016
<b>Total Assets</b>	<b><u><u>\$ 8,309,079</u></u></b>

### **LIABILITIES**

Accounts Payable	\$ 149,235
<b>Total Liabilities</b>	<b><u>149,235</u></b>

### **DEFERRED INFLOWS OF RESOURCES**

Unavailable Revenue - Loans Receivable	6,430,016
<b>Total Deferred Inflows of Resources</b>	<b><u>6,430,016</u></b>

### **FUND BALANCE**

Restricted	<u>1,729,828</u>
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<b>Total Fund Balance</b>	<b><u>1,729,828</u></b>
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<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b><u><u>\$ 8,309,079</u></u></b>
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*See Notes to Financial Statements*

# ***ITHACA URBAN RENEWAL AGENCY***

## **STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE SPECIAL GRANT FUND FOR THE YEAR ENDED DECEMBER 31, 2022**

### **REVENUES**

Use of Money and Property	\$ 994
Departmental Income	607,660
Federal Sources	1,063,229
<b>Total Revenues</b>	<u>1,671,883</u>

### **EXPENDITURES**

Home and Community Services	1,647,840
<b>Total Expenditures</b>	<u>1,647,840</u>

Excess of Revenues (Expenditures) 24,043

Net Change in Fund Balance 24,043

Fund Balance, Beginning 1,705,785

**Fund Balance, Ending** \$ 1,729,828

*See Notes to Financial Statements*

# ***ITHACA URBAN RENEWAL AGENCY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022**

### ***Note 1* Summary of Significant Accounting Policies**

The financial statements of the Ithaca Urban Renewal Agency (the Agency), a blended component unit of the City of Ithaca (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

#### **Financial Reporting Entity**

The Ithaca Urban Renewal Agency is a public benefit corporation established in 1965 as an urban renewal agency. The Agency has a corporate identity separate from the City and works in close conjunction with the City to revitalize urban neighborhoods and strengthen the local economy. The Agency is composed of the Mayor and four members appointed by the Mayor with the concurring approval of the Common Council. The Director of Planning and Development for the City of Ithaca serves as the Executive Director of the Agency.

Through a variety of means, including site acquisition and disposition, the Agency works to implement the Urban Renewal Plan that seeks to stabilize neighborhoods and enhance the vitality of the downtown and community. Through the City, the Agency applies for and receives various grants to address community development needs. On an annual basis, the Agency manages the City's HUD Entitlement Grant award of Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds to undertake activities in the areas of housing, community facilities, public services, and economic development that benefit Ithaca's low- and moderate-income neighborhoods and households, or eliminate blighting conditions. In addition, the Agency administers various economic development loan programs, the Cherry Street Industrial Park, and leases to facilitate private/public real estate projects.

The City is ultimately responsible for the proper disposition of grant funds and any debt incurred by the Agency. Because of the close governing, administrative, and financial relationship with the City, the Agency is considered to be a component unit of the City for financial reporting purposes, and the Agency's financial information presented here is to be presented within the City's financial statements as the Special Grant Fund as of December 31, 2022 and for the year then ended.

#### **Basic Financial Statements**

The Agency's basic financial statements include governmental fund financial statements. The financial transactions of the Agency are reported as a Special Revenue Fund in the governmental fund financial statements of the City. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

# ***ITHACA URBAN RENEWAL AGENCY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses. The Agency reports on the modified accrual basis of accounting.

Modified Accrual Basis - Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include state and federal aid. Revenues deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are that 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

#### **Budgetary Compliance**

An annual legal budget is not adopted for the Special Grant Fund. Budgetary controls for the Special Grant Fund are established in accordance with applicable grant agreements.

#### **Deferred Inflows of Resources**

In addition to liabilities, the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental fund balance sheet. The Governmental Fund reports unavailable revenues from loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### **Loans Receivable**

Loans receivable represent amounts owed to the Agency for rehabilitation and economic development loans. Loans receivable are offset by unavailable revenue in the same amount. Because the loans are offset by unavailable revenue, no provision has been made for uncollectible accounts reported as loans receivable.

# ***ITHACA URBAN RENEWAL AGENCY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Cash and Cash Equivalents**

For financial statement purposes, all highly liquid investments with initial maturities of three months or less are considered cash equivalents.

#### **Insurance**

The City assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired, or a liability has been incurred, and the amount of loss can be reasonably estimated.

#### **Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

#### **Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the Agency's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

#### **Equity Classifications**

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- **Nonspendable:** Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowments principal.
- **Restricted:** Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally or through constitutional provisions or enabling legislation.
- **Committed:** Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.



# ***ITHACA URBAN RENEWAL AGENCY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

- Assigned: Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned: Represents the residual classification of the government's General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The Agency has not adopted any resolutions to commit fund balance. The Agency's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance. Because the Agency's activities are restricted to economic development, remaining fund balance is reported as restricted.

### ***Note 2* Cash and Investments**

The Agency's investment policies are governed by state statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks, trust companies, or credit unions located within the state, preferably located within the City of Ithaca and the urban renewal project boundary area. The Agency is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury.

Collateral is required for demand and time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Deposits and investments are valued at cost or cost plus interest. Total financial institution (bank) balances at December 31, 2022 were \$1,939,065, which were insured, and collateral, when required, was held by the Agency's agent in the Agency's name. Cash in the amount of \$1,729,828 is reported as restricted and represents the amount of restricted fund balance.

### ***Note 3* Other Receivables**

Other receivables at December 31, 2022 are as follows:

Reimbursements	<u>\$ 18,304</u>
<b>Total</b>	<b><u>\$ 18,304</u></b>

# ***ITHACA URBAN RENEWAL AGENCY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022**

### ***Note 4* Loans Receivable**

Loans receivable consist of various economic development loans with ranging terms and interest rates. \$982,869 of the loans at December 31, 2022 will be forgiven over time as long as certain conditions are met by the loan recipient. Activity in loans receivable during the year follows:

<b>Balance December 31, 2021</b>	<b>\$ 6,347,332</b>
Interest Accrued	41,272
Loans Issued	270,069
Loans Written Off/Forgiven	-
Loan Payments	<u>(228,657)</u>
<b>Balance December 31, 2022</b>	<b><u>\$ 6,430,016</u></b>

### ***Note 5* Simplified Employee Pension Plan**

The Agency sponsors a Simplified Employee Pension Plan which covers all full-time and part-time employees. Contributions to the Plan are determined annually by the Board of Directors. For the year ended December 31, 2022, the amount of pension expense was \$28,102, 11% of total gross payroll.

### ***Note 6* Concentrations - Significant Sources of Revenues**

During the year ended December 31, 2022, the Agency received \$1,063,229, or 63.6% of its total revenue, from U.S. Department of Housing and Urban Development grants.

### ***Note 7* Summary of Significant Commitments and Contingencies**

#### **General Information**

The Agency is exposed to various risks of loss related to, but not limited to, torts, theft of, damage to, and destruction of assets, injuries to employees, errors and omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

#### **State and Federally Assisted Programs**

Through the City, the Agency receives state and federal grants. These grants are generally conditioned on compliance with certain statutory, regulatory, and/or contractual requirements. The Agency makes every effort to comply with all applicable requirements. However, because these grants are audited from time to time, it is possible that the Agency or the City will be required, upon audit, to repay portions of the grant monies received and recorded as revenue in a prior year. Agency and City officials do not anticipate material grant-in-aid disallowances, and no provision, therefore, is reflected in the basic financial statements.

# ***ITHACA URBAN RENEWAL AGENCY***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022**

***Note 8***    **Related Party Transactions**

The City is reimbursed for projects funded through federal grants administered by the Agency. At December 31, 2022, the Agency owed the City \$144,651 in reimbursements.



**INDEPENDENT AUDITORS' 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***

Board of Directors  
Ithaca Urban Renewal Agency  
Ithaca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Ithaca Urban Renewal Agency (the Agency), a blended component unit of the City of Ithaca, whose activity is reported in the Special Grant Fund, a governmental fund in the City of Ithaca's financial statements, as of and for the year ended December 31, 2022, and related notes to the basic financial statements, and have issued our report thereon dated March 27, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
March 27, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
§2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

Board of Directors  
Ithaca Urban Renewal Agency  
Ithaca, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Ithaca Urban Renewal Agency (the Agency), a blended component unit of the City of Ithaca, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our opinion thereon dated March 27, 2023.

In connection with our audit, nothing came to our attention that caused us to believe the Agency failed to comply with the Agency's Investment Guidelines, the New York State Comptroller's Investment Guidelines, or §2925(3)(f) of the New York State Public Authorities Law (collectively, Investment Guidelines), which are the responsibility of the Agency's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines.

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

Respectfully submitted,



Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
March 27, 2023