



DRAFT

**Minutes of the
Yonkers Industrial Development Agency
Audit Committee Meeting
December 21, 2011**

Present-Board Members

Cecile Singer, Chairperson
Michael Baratta, Member
Martin Ball, Sr., Member

Absent Members

None

Non-Members Present

Melvina Carter, Yonkers IDA CFO
Pat Serenson – Accountant
Charlie Mangiaracina – Partner of ODMD
Bill Rilley – ODMD
Ernie Garcia – The Journal News

Roll Call

Cecile Singer, Chairperson called the Audit Committee Meeting to order at 8:06 a.m. Roll call was taken. The following Committee Members were noted to be present: Cecile Singer, Michael Baratta and Martin Ball, Sr. A quorum was established for the conduct of business.

Approval of Minutes of March 28, 2011 Meeting

Chairperson Singer announced the first item on the agenda, which was the review and approval of the minutes of the March 28, 2011 meeting.

A motion was made by Martin Ball, Sr. to approve the Minutes of March 28, 2011. The motion was seconded by Michael Baratta. **Approved 3-0**

Review and Discussion of Engagement Letter for External Auditing Services for 2011

Charlie Mangiaracina stated O'Connor Davies firm had a 2 year engagement letter covering the year ending December 31, 2010 and 2011. Mr. Mangiaracina presented the risk manager audit plan as envisioned by O'Connor Davies for the 2011 audit of IDA. Bill Rilley, ODMD, reviewed the chart risk assessment process and explained that this process was to gain an understanding of the entity and the changes while assessing the risk to financial statements, by performing tests

and controls to issue a report to issue to the board. Cecile Singer queried whether under the current regulatory environment if there were any new standards that would be needed to adhere to. Mr. Mangiaracina advised that there have been no new disclosures. Mr. Mangiaracina emphasized that ODMD would need to know the structural changes within the organization and update audit procedures accordingly. Mr. Mangiaracina added that cash was a high risk area whether it is by check or cash in hand and advised a generic audited approach was needed.

Mr. Riley advised that there were 2 items on the balance sheet; the first was the \$670,000 receivable related to Yonkers Baseball Development. Mr. Reilly highlighted no allowance had been taken against the receivable. Mr. Mangiaracina inquired about the Baseball development progress. Ms. Singer responded that the Baseball Development was dependent on construction. Ms. Singer advised that this would need to be written down and brought forward and have the board come to a conclusion.

Mr. Mangiaracina explained the next item which pertained to a liability that has been on the balance sheet for a number of year's references a County PILOT that involved a number of parties and there was supposed to be a payment of \$240,000 per year and nothing occurred and it needed a status update. Melvina Carter, IDA CFO, advised that the IDA reached out to the County and be discussed in the 2011 audit. Ms. Carter highlighted that Ellen Lynch, IDA President/CEO was working with the Board of Legislators for a resolution.

Mr. Mangiaracina advised that another issue pertained to YEDC hasn't functioned for a number of years and in 2010 which were some transactions were filtered through YEDC but were on the IDA's financial statements. Mr. Mangiaracina added that ODMD attempted to find out what was going on at the IRS level and filing a 990 was rejected by the IRS since there wasn't any 990's filed in prior years therefore the tax exempt status was revoked.

CFO Carter advised that Harris Beach sent in correspondence to the IRS invoking 115 status and YEDC is waiting for a resolution. Mr. Mangiaracina emphasized that if IRS does not reinstate the tax exempt status any transactions will be taxable as an 1120 corporation. Ms. Singer suggested that a special meeting may be necessary to answer all the questions and update the board. Ms. Singer advised that nothing should be done with YEDC until the issue is resolved in writing.

Ms. Singer sought confirmation that the engagement letter covered the next year. Mr. Mangiaracina confirmed that the letter covers 2011 with an \$800 increase.

Other Business

Mr. Mangiaracina highlighted that there were no major issues during the audit. Ms. Singer commended Pat Serenson and Melvina Carter for their good work.

Adjournment

After establishing that there was no further business before the Committee, Chairperson Singer requested a motion to adjourn the meeting.

A motion was made by Michael Baratta and seconded by Martin Ball, Sr.

Approved 3-0

Meeting adjourned at 8:43 a.m.