



**Minutes of the
Yonkers Industrial Development Agency
Audit Committee Meeting
March 22, 2010**

Present-Board Members

Cecile Singer, Chairperson
Michael Baratta, Member

Absent Members

Martin Ball Sr.

Non-Members Present

Melvina Carter, Yonkers IDA CFO
Pat Serenson – Accountant
Charlie Mangiaracina – Partner of ODMD
Bill Riley – Partner of ODMD

Roll Call

Cecile Singer, Chairperson called the Audit Committee Meeting to order at 8:57 a.m. Roll call was taken. The following Committee Members were noted to be present: Cecile Singer and Michael Baratta telephoned in. It was noted that Martin Ball was excused. A quorum was established for the conduct of business.

Approval of Minutes of October 30, 2009 Meeting

Chairperson Singer announced the first item on the agenda, which was the review and approval of the minutes of the October 30, 2009 meeting. Cecile identified numerous comments that needed correction. Melvina Carter noted the corrections and stated the Executive Assistant would make the corrections and the minutes would be re-distributed to the committee members.

A motion was made by Michael Baratta to approve the Minutes of October 30, 2009 as corrected. The motion was seconded by Cecile Singer. *Approved 2-0*

Review and Discussion of Draft Audited Financial Statements, 2009 Management Letter and Investment Report

Chairperson Singer announced the next item on the agenda, which was the Draft Audit. Cecile Singer briefly explained that the draft is presented in a more graphical presentation. Charlie Mangiaracina from O'Connor Davies Munnes Dobbins discussed the results of Audit of YIDA from year ending December 31, 2009. He gave an overview of the Audit to the board members. Mr. Mangiaracina indicated on page 2 were items that would be discussed. The items included the overview of the Audit process, financial statements and highlights on the balance and income statement. The

overview of the Audit process contained the updated understanding of the YIDA business, policies procedures and its internal control by ODMD. Several selective tests were performed explained Mr. Mangiaracina. ODMD identified significant audit areas; developed material level and accessed risks at the assertion level. In addition, Mr. Mangiaracina stated significant audit areas were deemed to be cash and cash equivalents, receivable, restricted cash due to the other governments and due to other entities. Chairperson Singer asked if those areas possessed the greatest risks and whether ODMD were rating them, and how the risks would be rated. Mr. Mangiaracina replied that every area was categorized as moderate risk. Chairperson Singer asked the auditors if they could label the areas such as low, moderate or high risk. Mr. Mangiaracina replied that when ODMD does the pre-audit plan they will include the level of risks. Based on the audit procedures performed on the financial statement, Mr. Mangiaracina stated they were happy to report at this point ODMD's was in a position to render an unqualified opinion on the financial statements of the YIDA year end December 2009. Bill Riley noted that on page 7 some financial statement highlights on cash and cash equivalent decreased \$1.2 million pretty much generated from the decrease of agency fees in 2009. Mr. Riley also told the board members that there was a decrease in restricted cash that was roughly \$628,000 as a result of the Austin Avenue Landfill disbursement. Liabilities in total decreased \$800,000 that is the net effect decrease of a payment of \$240,000 to Westchester County and decrease of \$600,000 due to other entities. The unrestricted net assets at 12/31/09 decreased over \$1 million for the year ended December 31, 2009 as compared to an increase of \$331,000 in 2008. Mr. Riley continued with his assessment on page 8 the Statements of Activities highlight the decrease in total revenues because the agencies fees decreased at \$1.4 million also netted against an increase in the workforce grant (WIB) of \$520,000 that was implemented in 2009.

Mr. Mangiaracina provided the definition of 'control deficiency' and what would be a 'significant deficiency' in material weakness. Mr. Mangiaracina added that based on the materials that ODMD performed and items they tested there are no material weakness in internal control in YIDA. Mr. Mangiaracina stated whatever comments were made last year were corrected this year. Chairperson Singer addressed Mr. Mangiaracina and stated that she has never seen a Management Letter that had no comments. Mr. Mangiaracina concluded that based on what they did on the Audit procedures to render an opinion on the financial statements; they found no weakness in internal control that needed to be brought to anyone's attention. He also recommended to Ms. Singer that the board should ask management questions during the year as things change. Chairperson Singer asked if the policies and procedures were audited. Mr. Mangiaracina replied in the affirmative. Mr. Riley directed the committee to page 11 in that they didn't find any material change in scope of the Audit and their substantial procedures were based on materiality and their professional judgments. In addition, Mr. Riley stated there were no material errors frauds or legal acts identified during our audit, no suspicion or allegation of fraud during the conduct of our Audit.

Mr. Mangiaracina noted that he would like to go back to the draft of the financial statements and mentioned that after the audit was concluded he received comments from Shawn Griffin from Harris Beach regarding PILOT payments for the Austin

Avenue project. Mr. Mangiaracina looked at Westchester County to decide how to proceed. According to Mr. Mangiaracina, the only thing to do for 12/31/09 was to expand the contingency. Also, Mr. Mangiaracina stated it was appropriate to make a footnote in the financial statement about Yonkers Baseball Inc. Chairperson Singer asked if the baseball item concluded. Melvina Carter referred to the specifics in Note 4. Further, Ms. Carter stated Note 10 clarified the for-profit entity and local development corporation. Chairperson Singer asked Mr. Mangiaracina for a subsequent letter stating that the entities were dissolved.

Mr. Mangiaracina explained that his partner raised the question is to whether or not to do a report on Management Discussion Analysis which is a required report on GASB for a government unit. Mr. Mangiaracina does not believe that these statements are not GASB statements. Mr. Mangiaracina has a municipal partner that does a lot of work for the County and for other municipals agencies what are the required and should it be GASB compliant. Chairperson Singer inquired whether Westchester County utilized a MDA. Mr. Mangiaracina replied the County did issue a Management Discussion Analysis. Chairperson Singer added that we are second to Westchester County, and 4th largest city in the State of New York. Melvina Carter asked if YIDA had to submit a MDA this year or not based on ODMD research. Mr. Mangiaracina answered if they are right it would have to be done this year, it would be done as a narrative. Ms. Carter told Mr. Mangiaracina a narrative existed as a result of the PAAA guidelines and will be provided to New York State after it is presented to the YIDA Board at the March 30th meeting. Chairperson Singer asked Michael Baratta if he wanted to add anything. Mr. Baratta stated he had nothing to add because the items were being covered in a thorough manner.

Chairperson Singer informed Mr. Mangiaracina that they would keep ODMD in the loop for on-going understanding on activities. Ms. Singer also added we should look forward because we do not want the IDA's to go out of business, we have attrition all the time unless we have revenues that are coming in we really need to take a careful look in what steps to take. Ms. Singer concluded by thanking everyone.

Other Business

No other business was discussed at the meeting.

Adjournment A motion to adjourn was made at 9:46 a.m. by Michael Baratta and seconded Cecile Singer. **Approved 2-0**