



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

**Independent Accountants' Report on Compliance with Section 2925(3)(1)
of the New York State Public Authorities Law
and Independent Auditors' Report on Supplementary Information**

**Board of Directors
Yonkers Industrial Development Agency
Yonkers, New York**

We have examined the Yonkers Industrial Development Agency's (the "Agency") compliance with Section 2925(3)(1) of the New York State Public Authorities Law and Part 201 of Title Two of the New York code of Rules and Regulations during the year ended December 31, 2011. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining on a test basis evidence supporting the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the year ended December 31, 2011.

We previously audited the financial statements of Yonkers Industrial Development Agency as of and for the year ended December 31, 2011 and our report thereon dated March 20, 2012, expressed an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of these financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Board of Directors, officials of the Yonkers Industrial Development Agency, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these specified parties.

O'Connor Davies Munns & Dobbins, LLP

Harrison, New York
March 20, 2012

Yonkers Industrial Development Agency

Schedule of Cash Investments December 31, 2011

	Balance	Interest Earned
Unrestricted cash		
Hudson Valley Bank		
Certificate of Deposit, dated 12/30/11, due 03/15/12	\$ 314,741	\$ 1,535
Certificate of Deposit, dated 12/30/11, due 04/04/12	107,826	687
Restricted cash		
Hudson Valley Bank		
Austin Avenue	38,828	-
Austin Avenue - Certificate of Deposit closed 04/05/11	-	341
Larkin Parking Garage	1,546,314	1,414
Kubasek/Post	1,759,736	1,350
	\$ 3,767,445	\$ 5,327

Unrestricted cash investments are included in cash and cash equivalents on the Statement of Net Assets

Restricted cash investments are included in restricted cash on the Statement of Net Asset

Yonkers Industrial Development Agency

Note to Schedule of Cash Investments

Note A - Summary of Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the Yonkers Industrial Development Agency's Schedule of Cash Investments follows:

Basis of Accounting

The accompanying Schedule of Cash Investments has been prepared on the accrual basis of accounting with interest on certificates of deposit being accrued as of December 31, 2011.

Use of Estimates

The preparation of the Schedule of Cash Investments in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of cash investments and disclosure of contingent assets and liabilities at the date of the schedule, and the reported amounts of interest earned during the reporting period. Actual results could differ from those estimates.



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**Independent Auditors' Report on Communication of Internal Control Matters
Identified in the Audit**

**Board of Directors
Yonkers Industrial Development Agency**

In planning and performing our examination of Yonkers Industrial Development Agency's (the "Agency") compliance with Section 2925(3)(1) of the New York State Public Authorities Law and Part 201 of Title Two of the New York Code of Rules and Regulations during the year ended December 31, 2011, we considered the Agency's internal control over investments as a basis for designing our examination procedures, 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 over investments. We have issued a management letter dated March 20, 2012 related to the Agency's internal control over financial reporting as of and for the year ended December 31, 2011.

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 combination of deficiencies, in internal control, such that this 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, the board of directors, others within the organization and Office of the State 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.

O'Connor Davies Munns & Dobbins, LLP

Harrison, New York
March 20, 2012