

# **City of Yonkers Industrial Development Agency**

Report to Those Charged with Governance

December 31, 2021

March 31, 2022

Prepared by

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Partner

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**KNOW  
GREATER  
VALUE**

March 31, 2022

**The Board of Directors and Executive Director  
City of Yonkers Industrial Development Agency**

We have audited the financial statements of the City of Yonkers Industrial Development Agency ("Agency") as of and for the year ended December 31, 2021 and have issued our report thereon dated March 31, 2022.

Professional standards require us to communicate with you regarding audit matters that are, in our professional judgment, significant and relevant to those charged with governance ("TCWG") in overseeing the financial reporting process. This communication is intended to provide you with these required communications as well as other findings and information regarding our audit.

We are pleased to be of service to you and the Agency and appreciate the opportunity to present our audit findings to you. We are also pleased to discuss other matters which may be of interest to you and to answer any questions you may have.

This information is intended solely for the information and use of TCWG and management of the Agency, is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**

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## Status of the Audit

### Audit of Financial Statements

- Audit fieldwork is complete.
- The financial statements have been drafted and reviewed by management.
- We have issued an unmodified report on the financial statements.

## Required Communications and Other Matters

Required Item	Comments
<b>Auditor's responsibility under professional standards and planned scope and timing of the audit</b>	<p>We have communicated such information in our engagement letter to you dated November 12, 2021. Generally, these responsibilities include:</p> <ul style="list-style-type: none"> <li>• Forming and expressing an opinion on the financial statements.</li> <li>• Obtaining reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud.</li> <li>• Accumulating and communicating uncorrected misstatements to Those Charged with Governance ("TCWG").</li> <li>• Maintaining professional skepticism.</li> <li>• Communicating audit related matters that are, in our professional judgment, significant to TCWG.</li> </ul>
<b>Other Supplementary information accompanying the financial statements</b>	<p>Our responsibility for the other supplementary information accompanying the financial statements is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other supplementary information exists, we are required to describe it in our report.</p>
<b>Other information in documents containing audited financial statements</b>	<p>Our responsibility as auditors for other information in documents containing the audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to determine that such other information is properly stated.</p>

Required Item	Comments
<b>Our responsibilities under the Yellow Book</b>	In connection with our audit we performed tests of the Entity's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.
<b>Responsibilities of management and TCWG</b>	<p>Management's responsibilities include:</p> <ul style="list-style-type: none"> <li>• The fair presentation of the financial statements, including the selection of appropriate accounting policies.</li> <li>• Establishing and maintaining effective internal control.</li> <li>• Complying with laws, regulations, grants and contracts.</li> <li>• Providing the auditors with all financial records and related information and a signed representation letter.</li> </ul> <p>TCWG are responsible for communicating with the auditors and overseeing the financial reporting process.</p> <p>Both management and TCWG are responsible for:</p> <ul style="list-style-type: none"> <li>• Setting the proper tone at the top.</li> <li>• Designing and implementing policies and controls to prevent and detect fraud.</li> </ul>
<b>Qualitative aspects of accounting practices - <i>Accounting Policies</i></b>	The significant accounting policies are described in Note 2 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the reporting period that had a significant impact on the financial statements.
<b>Qualitative aspects of accounting practices – <i>Significant Unusual Transactions</i></b>	No matters have come to our attention that would require us to inform you about the methods used to account for significant unusual transactions.

Required Item	Comments
<b>Qualitative aspects of accounting practices - <i>Accounting Estimates and Management's Judgment</i></b>	<p>Accounting estimates made by management are an integral part of the financial statements and are based on management's knowledge and experience about past and current events and assumptions about future events. Actual results could differ from those.</p> <p>Certain accounting estimates are particularly sensitive because of their significance to financial statements and their susceptibility to change. The most sensitive estimates affecting the financial statements are:</p> <p>Management believes that the estimates used and assumptions made are adequate based on the information currently available. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements as a whole.</p>
<b>Qualitative aspects of accounting practices - <i>Financial Statement Disclosures</i></b>	<p>Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements are:</p> <ul style="list-style-type: none"> <li>• <b>Note 2</b> – which summarizes significant accounting policies</li> <li>• <b>Note 7</b> – which summarizes long-term liabilities including pension obligations</li> </ul> <p>The financial statement disclosures are consistent and clear.</p>
<b>Difficulties encountered in performing the audit</b>	<p>We encountered no significant difficulties in dealing with management relating to the performance of our audit.</p>

Required Item	Comments
<b>Corrected and uncorrected misstatements</b>	<p>Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.</p> <p>We are required to communicate to you misstatements that remain uncorrected, including any related to prior periods, and the effect, if any, that they may have on the opinion in our report, and request their corrections. There are no such financial statement misstatements that remain uncorrected.</p> <p>Corrected misstatements that were brought to the attention of management as a result of our audit procedures are included in Appendix 1.</p>
<b>Disagreements with management</b>	<p>For purposes of this communication, a disagreement with management is a matter, whether or not resolved to our satisfaction, concerning financial accounting, reporting, or auditing, which could be significant to the financial statements or the auditors' report. No such disagreements arose during the course of the audit.</p>
<b>Management representations</b>	<p>We have requested certain representations from management that are included in the management representation letter (see Appendix 2).</p>
<b>Management's consultations with other accountants</b>	<p>In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no such consultations with other accountants.</p>
<b>Auditor independence</b>	<p>We affirm that PKF O'Connor Davies, LLP is independent with respect to the Entity in accordance with relevant professional standards.</p>
<b>Significant issues discussed with management prior to retention</b>	<p>We generally discuss with management a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Entity and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed and our responses thereto were a condition to our retention as auditors.</p>



## Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Yonkers Industrial Development Agency's ("Agency") 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 Entity's internal control. Accordingly, we express no such opinion.

Professional standards require that we communicate to you, in writing, all significant deficiencies and/or material weaknesses in internal control that we identify in performing our audit. For this purpose, deficiencies in internal control are categorized as follows:

- 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 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 and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

However, we share for your consideration on the following pages other observations about the internal control and operations.

This communication is intended solely for the information and use of management and others charged with governance and is not intended to be and should not be used by anyone other than these specified parties. We will be pleased to discuss these communications and comments in further detail at your convenience, or to assist you in implementing the recommendations.

*PKF O'Connor Davies, LLP*  
Harrison, New York  
March 31, 2022

## City of Yonkers Industrial Development Agency

### Control Deficiencies

- **Financial Records, Year-End Accounting**

The Agency must have appropriate internal controls over financial reporting in place to ensure that amounts reported are reliable and that management and employees, in the normal course of performing their assigned functions can prevent, or detect and correct, misstatements on a timely basis. Our audit revealed that there were no monthly reconciliations and closing, particularly in the area of accounts receivables and payables, resulting in a number of journal entries posted during the audit process. Additionally, further supervisory review and approval of accounting transactions is needed.

#### ***Recommendation***

We recommend that the Agency coordinate with the outside accountant to determine responsibilities that ensure monthly reconciliations are completed in a timely manner.

- **Restricted Cash Accounts**

During our audit, we noted that the Agency closed on transactions and received security deposits for Payments in Lieu of Tax ("PILOT") agreements. These amounts represent one year of the executed PILOT payment and will increase each year as the PILOT progresses to "full taxes". These funds must be deposited into a separate interest-bearing accounts. These funds do not represent revenue to the Agency and are to be returned to the respective companies along with any interest earned at the conclusion of the PILOT agreement as long as such companies have not defaulted on such agreements.

#### ***Recommendation***

We recommend that the Agency open and deposit these funds into separate interest-bearing accounts as included in the agreement. Any interest earning will accumulate and will provide separate account analysis. We have been advised that separate bank accounts have been established as required.

- **Information Technology – Disaster Recovery/Contingency Planning**

In the prior year, we had brought to the attention of management, the need for a disaster recovery plan as well as cybersecurity best practices. It is our understanding that the Agency does not have a well-defined, written disaster recovery procedures plan. The time to make contingency plans is before disaster strikes, so that all personnel will be aware of their responsibilities in the event of an emergency situation that precludes the use of existing IT facilities.

## City of Yonkers Industrial Development Agency

### Control Deficiencies

- **Information Technology – Disaster Recovery/Contingency Planning** (*Continued*)

#### ***Recommendation***

We suggest that management develop a disaster recovery plan covering the entire IT system infrastructure that includes, but is not limited to, the following matters:

- Location of, and access to, off-site storage
- A listing of all data files that would have to be obtained from the off-site storage location
- Identification of a back-up location (name and telephone number) with similar or compatible equipment for emergency processing (management should make arrangements for such back-up with another company, a computer vendor, or a service center, the agreement should be in writing) and subsequently establish procedures to periodically test the back-up files to ensure the data recovery is complete and retrievable as planned.
- Detail procedures to be followed to rebuild individual servers
- Responsibilities of various personnel in an emergency
- Priority of critical applications or reporting requirements during the emergency period
- Climate controlled environments for the server/network rooms.

## On the Horizon

### GASB Statement No. 87 – *Leases*

Potentially pervasive changes are coming to lease accounting. Under the provisions of GASB Statement No. 87, nearly every lease will be considered a capital lease. While local governments and school districts would most likely be lessees in these kinds of transactions, some might also be involved in transactions where they are the lessor of these assets.

Under this standard, lessees will now be required to recognize in their entity-wide Statement of Net Position a lease liability and an intangible right-to-use lease asset when the lease begins. The intangible asset will be similar to other capital assets by requiring amortization over the life of the lease term, similar to depreciation of tangible capital assets. Also similar to other capital assets, leases will need to be assessed for impairment.

Lessors will do the opposite. Lessors will recognize a lease receivable and a deferred inflow of resources at the start of a lease. The receivable will be reduced and revenue recognized as lease payments are received each year. The lessor will continue to report the capital asset on its own Statement of Net Position.

Governments should review this standard early to anticipate what changes might need to be made to policies, accounting procedures, laws and regulations. **GASB Statement No. 95 postponed by eighteen months the effective date of this statement. Accordingly, the provisions of this Statement are effective for fiscal years beginning after June 15, 2021 (i.e., the Agency's financial statements for the year ended December 31, 2022).**

## Appendix 1

### Corrected Misstatements

**City of Yonkers Industrial Development Agency**  
**Corrected Misstatements**  
**December 31, 2021**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To record Auditing Fees totaling \$32,500 and to remove legal fees for Harris Beach LLC totaling \$44,579			
5000	Accounts Payable	44,579.00	
8550	Audit & Accounting Fees	32,500.00	
5000	Accounts Payable		32,500.00
8500	Legal Fees		44,579.00
<b>Total</b>		<b>77,079.00</b>	<b>77,079.00</b>
<b>Adjusting Journal Entries JE # 3</b>			
To record Fixed asset additions and Accumulated depreciation			
4001	Computer Equipment	1,210.00	
8130	Depreciation Expense	2,045.00	
9230	Pier Depreciation Expense	550,701.00	
4050	Acc. Depreciation		2,045.00
4051	Pier Accumulated Depreciation		550,701.00
8200	Office Supplies		1,210.00
<b>Total</b>		<b>553,956.00</b>	<b>553,956.00</b>
<b>Adjusting Journal Entries JE # 5</b>			
To adjust the ERS expense and book a ERS liability			
5005	Accrued Expenses	24,530.00	
8125	Pension Costs	29,233.00	
5005	Accrued Expenses		29,233.00
8125	Pension Costs		24,530.00
<b>Total</b>		<b>53,763.00</b>	<b>53,763.00</b>
<b>Adjusting Journal Entries JE # 6</b>			
To adjust GASB 68 Pension Liability			
3012	GASB 68 - Perpaid Expense	112,570.00	
5010	GASB 68 Pension Liability	571,710.00	
5302	GASB 68 Deferred Income		618,387.00
8125	Pension Costs		65,893.00
<b>Total</b>		<b>684,280.00</b>	<b>684,280.00</b>
<b>Adjusting Journal Entries JE # 7</b>			
Adjustment to correct IDA salary Accrual. Client Accrued 10 days of pay period instead of 5 days 12/27/2021-12/31/2021. Also, to reverse prior year accrual.			
5005	Accrued Expenses	5,788.00	
5005	Accrued Expenses	27,906.00	
8000	Salaries	7,267.00	
8000	Salaries	28,956.00	
8100	Payroll Taxes-FICA	556.00	
8100	Payroll Taxes-FICA	2,215.00	
5005	Accrued Expenses		7,823.00
5005	Accrued Expenses		31,171.00
8000	Salaries		5,377.00
8000	Salaries		25,923.00
8100	Payroll Taxes-FICA		411.00
8100	Payroll Taxes-FICA		1,983.00
<b>Total</b>		<b>72,688.00</b>	<b>72,688.00</b>

**City of Yonkers Industrial Development Agency  
Corrected Misstatements  
December 31, 2021**

**Adjusting Journal Entries JE # 8**

Adjustment to correct WIB salary Accrual. Client Accrued 10 days of pay period instead of 5 days 12/27/2021-12/31/2021. Also, to reverse prior year accruals

5006	Workforce-Accrued Expenses	8,686.00	
5006	Workforce-Accrued Expenses	83,433.00	
8192	Workforce-Payroll Related Exp.	10,183.00	
8192	Workforce-Payroll Related Exp.	88,740.00	
8195	Workforce Employee Benefits	779.00	
8195	Workforce Employee Benefits	6,789.00	
5006	Workforce-Accrued Expenses		10,962.00
5006	Workforce-Accrued Expenses		95,529.00
8192	Workforce-Payroll Related Exp.		8,069.00
8192	Workforce-Payroll Related Exp.		77,504.00
8195	Workforce Employee Benefits		617.00
8195	Workforce Employee Benefits		5,929.00
<b>Total</b>		<b>198,610.00</b>	<b>198,610.00</b>

**Adjusting Journal Entries JE # 9**

To adjustment WIB ERS Accrual/Expense for the 2021 year. Also, to reverse prior year accruals

5006	Workforce-Accrued Expenses	53,930.00	
8195	Workforce Employee Benefits	60,525.00	
5006	Workforce-Accrued Expenses		60,525.00
8195	Workforce Employee Benefits		53,930.00
<b>Total</b>		<b>114,455.00</b>	<b>114,455.00</b>

**Adjusting Journal Entries JE # 12**

To adjust the Pier Licensing Fee Revenue. Client booked December 2020 as revenue and it should of hit AR and an additional accrual for November amount of \$15,000 received on 1/4/2022 was needed. In July 2021 and November 2021 the IDA received \$5,000 more to cover for Dec.

2000	Accounts Receivable	15,000.00	
7200	Pier License Fee	10,000.00	
2000	Accounts Receivable		10,000.00
7200	Pier License Fee		15,000.00
<b>Total</b>		<b>25,000.00</b>	<b>25,000.00</b>

**Adjusting Journal Entries JE # 13**

To reclass monies received from the City of Yonkers for Savin and K&G YJSCB advertisement and consulting expenses

7085	Miscellaneous	840,436.00	
99999	contribution from City of Yonkers		840,436.00
<b>Total</b>		<b>840,436.00</b>	<b>840,436.00</b>

**City of Yonkers Industrial Development Agency**  
**Corrected Misstatements**  
**December 31, 2021**

**Adjusting Journal Entries JE # 14**

To adjust Net Position Accounts

6200	Retained Earnings	2,192,119.00	
6202	Restricted for Yonkers Pier		100,621.00
6204	Net Investment in Capital Assets		2,091,498.00
<b>Total</b>		<b><u>2,192,119.00</u></b>	<b><u>2,192,119.00</u></b>

**Adjusting Journal Entries JE # 15**

To record the Loan interest for. Larkin Garage Proj accrued interest receivable

2082	Loan Rec. Larkin Garage Proj Interest	410,059.00	
2085	Allowance for Larkin Garage		410,059.00
<b>Total</b>		<b><u>410,059.00</u></b>	<b><u>410,059.00</u></b>

**Adjusting Journal Entries JE # 16**

To write off \$17,003 from Harris Beach in accounts payable as the YIDA is no longer liable to pay it

5000	Accounts Payable	17,003.00	
8500	Legal Fees		17,003.00
<b>Total</b>		<b><u>17,003.00</u></b>	<b><u>17,003.00</u></b>

**Adjusting Journal Entries JE # 17**

To record PILOT escrow payments received in 2021 as escrow deposits for lieu of the Tax Agreement Mortgage which will ultimately be returned

7005	Agency Fees	126,825.00	
5300	Escrow Deposits		126,825.00
<b>Total</b>		<b><u>126,825.00</u></b>	<b><u>126,825.00</u></b>

**Adjusting Journal Entries JE # 18**

To accrual rental expense for November and December 2021

8050	Rental Expense	18,130.00	
5000	Accounts Payable		18,130.00
<b>Total</b>		<b><u>18,130.00</u></b>	<b><u>18,130.00</u></b>

**Adjusting Journal Entries JE # 19**

To set up a restricted cash account for the Pilot Escrow Payments received

1151	Pilot Payment Escrow Cash Account	126,825.00	
1215	Cash-Signature IDA Savings		126,825.00
<b>Total</b>		<b><u>126,825.00</u></b>	<b><u>126,825.00</u></b>

**Adjusting Journal Entries JE # 20**

To remove the COVID Loans Grant restricted cash account as the COVID pandemic came to an end. Funds are no longer restricted.

1215	Cash-Signature IDA Savings	159,000.00	
1110	Cash- COVID Loans/Grants		159,000.00
<b>Total</b>		<b><u>159,000.00</u></b>	<b><u>159,000.00</u></b>



## Appendix 2

### Management Representation Letter

March 31, 2022

PKF O'Connor Davies, LLP  
500 Mamaroneck Avenue, Suite 301  
Harrison, New York 10528

This representation letter is provided in connection with your audit of the financial statements of the City of Yonkers Industrial Development Agency (the "Agency") which comprise the statements of net position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, (having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves) as of the date of this letter, the following representations made to you during your audit.

### **Our Responsibilities**

- 1) We acknowledge that we have fulfilled our responsibilities as set forth in the terms of the engagement letter dated November 17, 2021:
  - a) The preparation and fair presentation of the financial statements in accordance with US GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
  - b) 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; and
  - c) The design, implementation, and maintenance of internal control to prevent and detect fraud.
- 2) We understand that the term "fraud" refers to intentional acts by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception that results in a misstatement in financial statements. Two types of intentional misstatements are relevant to your audit – misstatements resulting from fraudulent financial reporting and misstatements resulting from misappropriation of assets. Fraudulent financial reporting involves intentional misstatements, including omissions of amounts or disclosures in financial statements to deceive financial statement users. Misappropriation of assets involves the theft of an entity's assets.

- 3) In regard to the financial statement preparation non-attest services performed by you, we have:
  - a) Assumed all management responsibilities.
  - b) Designated individuals within senior management, who have suitable skill, knowledge, or experience to oversee the services.
  - c) Evaluated the adequacy and results of the services performed.
  - d) Accepted responsibility for the result of the services.
- 4) We are further responsible for reviewing, accepting and processing the standard, adjusting, or correcting journal entries that you proposed during the course of your engagement. We confirm that we designated a suitably qualified individual who understands the nature and impact of the proposed entries to the financial statements, and we accept responsibility for the proposed entries that we authorized and processed.
- 5) We acknowledge our responsibility for presenting the financial statements and supplemental schedules in accordance with US GAAP, and we believe the financial statements and supplemental schedules, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the financial statements and supplemental schedules have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

### **Financial Statements**

- 6) The financial statements referred to above are fairly presented in conformity with US GAAP and include all disclosures necessary for such fair presentation. In that connection, we specifically confirm that:
  - a) The Agency's accounting policies, and the practices and methods followed in applying them, are appropriate and are as disclosed in the financial statements.
  - b) There have been no changes during the period audited in the Agency's accounting policies and practices.
  - c) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 7) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 8) The following, where they exist, have been appropriately disclosed to you and accounted for and/or disclosed in the financial statements in accordance with the requirements of US GAAP:
  - a) The identity of all related parties and related party relationships and transactions including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
  - b) Guarantees, whether written or oral, under which the Agency is contingently liable, if any.
  - c) The effects of all known actual, possible, pending or threatened litigation, claims, and assessments.
- 9) We have evaluated events subsequent to the date of the financial statements through the date of this letter, and no such events have occurred which would require adjustment or disclosure in the financial statements. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

### **Information Provided**

- 10) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.

- b) Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, if applicable.
  - c) Additional information that you have requested from us for the purpose of the audit.
  - d) Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
  - e) Completeness and availability of all minutes of the meetings of the Board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - f) All significant contracts and agreements
  - g) All documents and records provided electronically are accurate and complete reproductions of the original documents and records.
- 11) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud. Based on our assessment, we did not identify any fraud risks that we believe would result in a material misstatement of the financial statements.
- 12) There are no deficiencies in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Agency's ability to initiate, authorize, record, process, and report financial data reliably in accordance with US GAAP.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Agency and involves:
- a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

### **Hosting Services**

- 16) We acknowledge that electronic portals used during the audit are only a method of transferring data and the data may be deleted by you at any time.
- 17) We are responsible for maintaining our financial and non-financial information, licensing and hosting of any applications, and downloading and retaining anything you uploaded to such portal in a timely manner.

### **Government—specific**

- 18) We have a process to track the status of audit findings and recommendations.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 20) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 21) The Agency has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources or net position.
- 22) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably with senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 27) The Agency has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Agency has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 30) The Agency is not part of any joint ventures with an equity interest.
- 31) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended.
- 32) We have identified the Agency is not a component unit of the City of Yonkers, New York in accordance with the criteria enumerated in GASB Statement No. 61 *"The Financial reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34"*.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 34) Receivables and loan receivable recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) The Agency does not offer other post employment benefits.
- 38) We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- 39) Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
- 40) The Agency is a single fund entity with no internal activity.
- 41) Deposits and investment securities are properly classified as to risk and are properly disclosed.

- 42) Capital assets, including infrastructure and intangible assets, if any, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 43) Capital assets, including intangible assets, have been evaluated for impairment as a result of significant and unexpected decline in service utility. There were no such impairment loss or insurance recoveries.
- 44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 45) We have not completed the process of evaluating the impact that will result from adopting the provisions of Governmental Accounting Standards Board ("GASB" Statement No.87, "*Leases*", as discussed in Note 14. The Agency is therefore unable to disclose the impact that adopting GASB Statement No. 87 will have on the financial position and the results of operations when the Statement is adopted.
- 46) Expenditures of federal awards were below the \$750,000 threshold for the year ended December 31, 2021, and we were not required to have an audit in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("Uniform Guidance").

Very truly yours,



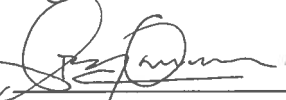
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The Honorable Ms. Cecile Singer  
Chairperson



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Ms. Jaime McGill  
Executive Director



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Mr. Siby Oommen  
Chief Fiscal Officer

## Appendix 3

### About PKF O'Connor Davies, LLP



## FIRM OVERVIEW

Founded in 1891, PKF O'Connor Davies has evolved from an accounting firm to a corps of high-caliber professionals that delivers to a global and growing client base a complete range of audit, tax and advisory services as well as insights and expertise at the highest level. As our business has grown, our commitment to active value creation has allowed us to connect our clients to sound business advice, key players and resources across diverse industries.

### An Acknowledged Global Leader

Not only are we one of the nation's most rapidly growing accounting and advisory firms, we are also the lead North American firm in the growing PKF global network of independent accounting and advisory firms. This enables us to provide clients with preferred access to top-tier experts and firms in over 400 locations, in 150 countries around the world. It also establishes us as the primary referral point for international businesses with needs in North America, an advantage for our domestic clients seeking connections outside the U.S.

### Active Partner Involvement Dedicated Engagement Teams

We have built strong relationships with our clients by being proactive, thorough and efficient. Firm partners are involved in the day-to-day management of engagements, ensuring a high degree of client service and cost effectiveness. Multi-disciplinary teams ensure solutions are customized to address specific needs and integrated for greater efficiency.

### A Higher Standard: Beyond Passive Value Calculation to Active Value Creation

Our focus on value has driven our growth, propelling PKF O'Connor Davies to the Top 27 on *Accounting Today's* 2021 "Top 100 Firms" list and gaining us acclaim as one of the country's fastest-growing firms. With unmatched client focus, we unlock genuine value hidden at key connection points in every engagement within regional, national and international arenas. Through these connections, our team of specialists continually drives efficiencies, uncovers opportunities and manages risk – delivering value where others can't.

## Industry Recognition

- **Ranked 27 of "2021's Top 100 Firms"**  
– *Accounting Today*, 2021
- **Ranked 7 of the "Top Firms in the Mid-Atlantic"**  
– *Accounting Today*, 2021
- **"America's Best Tax and Accounting Firms"**  
– *Forbes*, 2022
- **Ranked 10 of "New Jersey's Top Accounting Firms"**  
– *NJBIZ*, 2019
- **"Best Family Office – New Innovations"**  
– *Private Asset Management Awards*, 2021
- **"Best Accountancy Advisor"**  
– *Family Wealth Report Awards*, 2021
- **"Best Family Office Management Consultancy"**  
– *Family Wealth Report Awards*, 2021
- **"Best Accounting Firms to Work For"**  
– *Accounting Today*, 2021
- **"Best Places to Work in New Jersey"**  
– *NJBIZ*, 2021
- **Ranked #2 "Best Accounting Internship"**  
– *Vault*, 2021
- **Ranked 15 of the 50 "Best Accounting Employers to Work for in North America"**  
– *Vault*, 2022

**KNOW GREATER VALUE®**



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## Agility, Responsiveness and Recognition

Since our founding, PKF O'Connor Davies has maintained its commitment to gaining a deep understanding of each client's operations and financial history in order to help meet their every challenge and objective. We fulfill this mission by providing resources that match those of larger firms in scope – but with the agility only a mid-sized firm such as ours can demonstrate...and yet, we still rank among them. Our services include:

### Accounting and Assurance Services

- Accounting Outsourcing
- Agreed-Upon Procedures (AUPs)
- Audits, Reviews and Compilations
- Elite Accounting Services
- Employee Benefit Plans
- Endowment Fund Accounting
- International Financial Reporting Standards (IFRS)
- IT Audit & Cybersecurity Reviews
- Public Company Accounting Oversight Board (PCAOB)
- Public Sector Audits & Compliance

### International Services

- China Desk
- General Data Protection Regulation (GDPR)
- German Desk
- Transfer Pricing

### Investment Banking Services

- Acquisition Advisory
- Exit Readiness and Transaction Planning
- Sell-Side Advisory

### Tax Compliance and Planning Services

- Employee Benefit Planning & Tax Compliance
- International Tax Services
- IRS Representation & Tax Controversies
- Personal Financial Planning
- Private Foundation Services
- State and Local Tax (SALT)
- Tax Compliance & Reporting
- Tax Research and Strategic Planning
- Tax-Exempt Organizations
- Trust and Estate Planning

### Advisory Services

- Bankruptcy & Restructuring
- Cybersecurity & Privacy Advisory Services
- Dark Web Monitoring Services
- Digital Forensic Services
- Family Advisory Services
- Forensic, Litigation and Valuation Services
- Matrimonial Services
- Management Advisory Services
- PPP Loan Forgiveness Services
- Risk Advisory Services
- Specialty Industry Advisory Services
  - Business Solutions
  - Employee Benefit Plan Services
  - Healthcare Advisory Services
  - Hospitality Advisory Services
  - Medical and Dental Advisory Services
  - Public Sector Advisory Services
- Transaction & Financial Advisory Services
- Virtual Chief Information Security Officer Services
- Wealth Services

### Family Office Services

- Accounting & Reporting
- Advisory
- Charitable Giving
- Family Advisory Services
- Investment Monitoring & Oversight
- Lifestyle Support
- Personal Financial Management
- Tax Planning
- Wealth Planning



Bethesda, MD | Boston, MA | Cranford, NJ | Harrison, NY | Hauppauge, NY | Livingston, NJ | New York, NY | Newburgh, NY (Two Locations) | Palm Beach Gardens, FL | Providence, RI | Shelton, CT | Stamford, CT | Wethersfield, CT | Woburn, MA | Woodcliff Lake, NJ

[www.pkfod.com](http://www.pkfod.com)