



Audit Committee Meeting

Preliminary

AGENDA

**Thursday, December 14, 2022
2:00 p.m.**

Agenda subject to change

- 1) Roll Call**
- 2) Approval of Minutes for March 28, 2023 Meeting**
- 3) Review and Discussion of Engagement Letter for External Auditing Services for 2023**
- 4) Review and Discussion of Audit Plan**
- 5) Other Business**
- 6) Adjournment**

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STATE OF NEW YORK
CITY OF YONKERS

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Minutes of
The City of Yonkers IDA
Audit Committee Meeting
March 28, 2023 - 2:00 P.M.

At
470 Nepperhan Avenue, Suite 200
Yonkers, New York 10701-3892

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B E F O R E:

- CECILE SINGER - Chairperson
- MELISSA NACERINO - Member
- VICTOR GJONAJ - Member

I D A S T A F F:

- JAIME MCGILL - IDA Executive Director
- JIM CAVANAUGH - IDA President & CEO
- SIBY OOMMEN - IDA Chief Fiscal Officer

P R E S E N T

- ROBERT DANIELE - PKF O'Connor Davies

PROCEEDINGS

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2 MS. SINGER: So I'd like to
3 call the Audit Committee meeting of
4 the IDA to order. The first order of
5 business is the roll call.

6 MR. OOMMEN: Cecile Singer?

7 MS. SINGER: Here.

8 MR. OOMMEN: Melissa Nacerino?

9 MS. NACERINO: Here.

10 MR. OOMMEN: Victor Gjonaj?

11 MR. GJONAJ: Here.

12 MR. OOMMEN: Madam Chair, we
13 have a quorum.

14 MS. SINGER: The next order of
15 business is the approval of the
16 minutes of March 31st and the
17 December 20th meetings. First we'll
18 take the March 31st meeting.

19 MS. MCGILL: So for the
20 March one, it's just Melissa and
21 yourself, Cecile, who can vote on the
22 March minutes.

23 MS. NACERINO: I'll make a
24 motion to accept.

25 MS. SINGER: Okay. And I

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second the motion. Do you have any other comments, Melissa?

MS. NACERINO: No.

MS. SINGER: All right. Then the minutes are passed as submitted. And with the March 21st meeting?

MS. MCGILL: So the December 20th meeting, Melissa and Victor can vote on it.

MS. NACERINO: I'll make a motion to accept the minutes.

MS. SINGER: Second?

MR. GJONAJ: I second the motion.

MS. SINGER: Any comments, any concerns, any objections? Then the minutes are passed as submitted.

Then we will move to the review and discussion of the Audit Committee.

MR. DANIELE: So in your packet, I put together a report to the Audit Committee. So we'll follow that.

PROCEEDINGS

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2 So good afternoon again, and
3 thank you for having me present the
4 audit results for the Yonkers
5 Industrial Development Agency for the
6 fiscal year ended December 31st,
7 2022.

8 If we turn to the table of
9 contents, the second page in, we'll
10 briefly go through the status of the
11 audit, our audit approach, the
12 financial statement highlights,
13 including the current year operating
14 results, our required communications,
15 which is all the information we
16 gather when we form an opinion on the
17 financial statements as a whole, our
18 communication of internal control
19 matters, do the controls or the
20 design or operation of the controls
21 allow management, in the normal
22 course of doing their daily
23 activities, to prevent and detect any
24 errors, and giving them time to
25 correct that?

PROCEEDINGS

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2 And included in here is the
3 management representation letter --
4 it's what we get at the conclusion of
5 the audit -- which outlines our
6 responsibilities, management's
7 responsibilities, and all the
8 information that was provided to us
9 to perform. And in the back pages is
10 some information on PKF O'Connor
11 Davies, some industry recognition.

12 So if we turn to page 1, again,
13 the audit is complete. The scope of
14 the work was substantially the same
15 as we talked about in our
16 December 20th planning meeting. And
17 that included the continued work on
18 the Yonkers Pier activities, Con Ed
19 winding down on the emergency
20 disaster relief loans, you still have
21 the loans payable, the Section 8
22 program for the Yonkers pier, the
23 NYPA loans.

24 And then this year we had a new
25 standard on leases. So you do have a

PROCEEDINGS

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2 lease. We were required to
3 capitalize that lease, and we'll go
4 through that as well. The financial
5 statements have been reviewed by
6 management. Again, once you accept
7 this we can go final with this, and
8 that's our anticipation.

9 There are a few things in
10 regard to the public authorities and
11 accountabilities act; we'll get those
12 documents as well. And that's kind
13 of the closure of having all this
14 filed.

15 At the bottom is our approach.
16 We come in a few days and we look
17 at -- we update our understanding of
18 how everything flows here. We look
19 at your payroll cycles, cash
20 receipts, cash disbursements, we read
21 through the board minutes, if
22 anything pops up. Again, based on
23 what we look at, we do a financial
24 assessment, a risk assessment, and
25 based on that risk assessment, we

PROCEEDINGS

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2 design our audit plan. If everything
3 goes according to that audit plan, if
4 we don't have any findings, we move
5 forward, we complete the audit, we
6 prepare the financial statements and
7 our required communications. If we
8 do run into unexpected results, we go
9 back and reassess. But I'm happy to
10 report that everything went smoothly.

11 If we go to the financial
12 statement highlights, we're going to
13 actually start on page 3, which is
14 the statement of activities compared
15 to 2021. And you can see in the
16 operating revenues, your revenues are
17 down about \$2 million. And that's
18 based on activities and projects that
19 are undertaken over time. You really
20 had a good year in '21, which was
21 starting to catch up due to COVID,
22 but in the current year you had a
23 little over a million dollars in
24 agency and refinancing fees. You
25 closed on some projects: The Yonkers

PROCEEDINGS

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2 Joint School Construction Board
3 projects, which generated about
4 \$462,000 of revenue; you had this
5 Horizon on Ridge Hill, another
6 \$380,000 or so; and Queue Smart,
7 another \$91,000. And those are some
8 of the big projects.

9 In the prior year, based on
10 this Joint Scope Construction Board
11 project, the City did lay out some
12 funding. So you can see in the
13 middle of the page, under "consulting
14 and professional fees," in 2021, you
15 can see about \$961,000, about
16 \$840,000 of that was for this
17 school -- Yonkers Joint School
18 Construction Board. The IDA laid it
19 out, the City reimbursed you. You
20 can see that up top, the 840,000,
21 in '21. That didn't occur this year;
22 everything was financed through the
23 IDA.

24 You do have some management
25 fees, \$155,000. Mostly, that is

PROCEEDINGS

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2 \$80,000 or so for the Larkin garage
3 management fees and then various
4 other fees ranging from \$500 to
5 \$2,000, based on a slew of projects
6 that are coming in. And that
7 generated, again, \$155,000 in
8 management fees.

9 The other big item is your
10 license fee, and that's your rental
11 income. Again, this was the new
12 lease standard which -- basically,
13 your rental income is roughly about
14 \$180,000. We broke it out between
15 lease and interest. There's a piece
16 of it down below in "interest
17 income," but that's your annual
18 rental fee: About \$180,000 a year.

19 If we go down to the expenses,
20 you can see everything's pretty much
21 in line. Salaries are consistent;
22 payroll taxes and employee benefits
23 are up; health insurance was up in
24 the current year. And there's
25 certain things that we have to

PROCEEDINGS

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2 account for regarding the pension
3 costs, which were up a little, and
4 that resulted in an increase in the
5 current year.

6 You do pay rent here to the
7 City, about \$112,000 in rent, plus
8 utilities, roughly another \$35,000 or
9 so, and that's your rent expense.

10 Again, your consulting and
11 professional fees, again, it was a
12 one-timer in 2021. If you really
13 back out that \$840,000 piece, you're
14 pretty consistent with the current
15 year. Then you have your
16 advertising, printing and
17 reproduction. Again, that almost
18 doubled compared to last year. And
19 this is advertising for greater
20 Yonkers, and Horizon Publications,
21 and various summit events that
22 occurred in 2022. Everything pretty
23 much is in line. You have
24 depreciation expenses in line with
25 2021.

PROCEEDINGS

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2 So expenses are down but your
3 income is down as well. If we come
4 down to non-operating revenues and
5 expenses, you do operate a workforce
6 investment grant program. Again,
7 that's for -- to enhance job
8 opportunities. You do hire a
9 consultant to -- a grant writer, if
10 you will, and that's all funded with
11 grant revenue. So there's a matching
12 principal there: Whatever you lay
13 out, you're reimbursed, you get back.
14 So you do run that program, but it
15 doesn't really affect the bottom
16 line.

17 And you have your interest
18 income, again, up. Your interest
19 rates were pretty good in '22
20 compared to '20 and '21, getting
21 roughly about three percent on the
22 money, so that resulted in some
23 increase in the current year. And
24 your interest expense is just the
25 interest expense on the two loans

PROCEEDINGS

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2 that I had mentioned: That
3 Section 108 loan and the NYPA loan.

4 Take your revenues, subtract
5 your expenses, you can see the change
6 in net position -- almost a half a
7 million dollars loss, if you will --
8 for the current year. You subtract
9 that from your opening net position
10 of \$6.9 million, in the end of the
11 year, a little over \$6.4 million.

12 So if we turn back to page 2,
13 you can see that 6.4 is at the
14 bottom, mostly in the form of cash --
15 roughly about four and a half million
16 dollars -- about 1.7 is brick and
17 mortar, as we say, your leasehold
18 improvements and things like that.

19 And you do operate the
20 activities of the Yonkers Pier, so
21 what moneys come in and what moneys
22 get expended get closed out and are
23 restricted for that purpose, and
24 there's \$200,000 for those purposes.

25 But if you look at the balance

PROCEEDINGS

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2 sheet, you have about \$8.1 million in
3 assets, like I said, roughly
4 \$4.8 million in cash, you have some
5 accounts receivable. Some of that
6 money came in subsequently as we were
7 doing the audit -- it came in in
8 January, February, March of this
9 year -- so we know most of that is
10 valid.

11 You do have a lease receivable
12 that we talked about, where we had to
13 capitalize it and put it on your
14 balance sheet. It's a new standard.
15 Doesn't affect -- you still make the
16 payments -- you still collect the
17 payments, and it's income to the IDA,
18 but they want us to put it in an
19 asset, and whatever's not -- if you
20 have a five-year lease, the long-term
21 portion is what we call here
22 "unearned revenue," and as you
23 collect that money, it's written down
24 over the term of the lease.

25 So, you know, I don't like to

PROCEEDINGS

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2 get into the weeds, but it's
3 something that in the past it was
4 what we called an operating lease,
5 you would collect the money and
6 that's all you would -- you would
7 reflect the revenue. You're still
8 doing that, but now they want you to
9 record the right to use the asset,
10 and whatever you didn't collect for
11 the future is what we call unearned,
12 and you slowly recognize that as
13 that.

14 You have liabilities here of
15 \$1.3 million, and you have some of
16 what we call inflows and outflows.
17 Again, these are non-cash items, but
18 it's something we need to record.
19 But as I said, you have a pretty good
20 financial position, \$6.4 million,
21 mostly of which -- four and a half
22 million dollars -- is free and clear.
23 That's really the numbers.

24 Pages 4 through 8, I'm not
25 going to read every bullet, but as I

PROCEEDINGS

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2 mentioned before, we take all this
3 information and we -- our purpose is
4 to form an opinion. We've issued
5 what is termed an unmodified opinion.
6 That's a clean opinion. It's the
7 highest level of opinion that an
8 entity can receive, and it basically
9 states that your financial statements
10 present, fairly, the financial
11 results of the agency as of
12 12/31/2022 in accordance with the
13 accounting standards.

14 There are some supplemental
15 information that's attached to the
16 report after the notes. We do --
17 this is what we call unaudited, but
18 we do have the agency confirm those
19 balances with the banks. So it's
20 like an audit procedure, but it's
21 really, clearly an unaudited
22 document. But it's the schedule of
23 bonds and notes, it's not a liability
24 to the agency, but you're the middle
25 person that, you know, did the --

PROCEEDINGS

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2 made the transaction happen. So
3 those are recorded on pages 27
4 through 32.

5 I think that's it. I mean,
6 there are some estimates that we do,
7 you know, your capital assets, the
8 life that are given to the capital
9 assets. It's an estimate, if we have
10 to estimate certain liabilities
11 because we may not have the
12 information available at this time.
13 Most of that stuff we don't have to
14 make estimates because we were doing
15 the audits subsequent, so we know
16 that it's a valid payable or
17 receivable. And that's it.

18 And there's also a separate
19 schedule of cash and investments
20 that's required by the Public
21 Authorities Act. And that just
22 reiterates what the cash and
23 restricted cash position is of the
24 Yonkers IDA. And it's a separate
25 report, and that's all uploaded once

PROCEEDINGS

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2 it's all filed with the public
3 authorities.

4 We do have a management letter.
5 Again, no comments, I'm happy to
6 report this year. Very smooth audit.
7 Everything was addressed. I know we
8 had some questions last year but --
9 it was very timely. We did a hybrid,
10 I guess, of -- you know, if we needed
11 to be here to pull things, we came
12 here. So it worked out well.

13 And again, I'm happy to record
14 that Siby, Jaime, your outside
15 accountant all collaborated to get
16 this thing done so we can file this
17 by March 31st.

18 MR. CAVANAUGH: I just want to
19 mention our deposits which are at
20 Signature Bank.

21 MR. DANIELE: Yes.

22 MR. CAVANAUGH: As the board is
23 aware, Signature Bank had a little
24 issue. That is where we kept our
25 deposits. We left them there

PROCEEDINGS

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2 because -- we left them with
3 Signature because we had a conference
4 call with the bank the day of the
5 failure, and they pointed out that
6 the FDIC had extended deposit
7 protection beyond the 250 --

8 MS. SINGER: To all of them.

9 MR. CAVANAUGH: To the entirety
10 of the deposit.

11 MS. SINGER: Right.

12 MR. CAVANAUGH: So actually, it
13 was safer for us at that point to
14 leave all of our money with
15 Signature, because had we taken it
16 out, we would have only been
17 protected up to \$250,000 per account.
18 So actually, it seemed to be the
19 safer move to leave it with
20 Signature. We've done that.

21 We do anticipate that sometime
22 within the next year we're going to
23 be asking the board to spend a lot of
24 our unreserved cash for the Cacace
25 garage project. So we're not really

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2 looking forward -- I mean, not really
3 looking for another long-term place
4 to keep our excess cash, because if
5 all goes well, a year from now our
6 excess cash will become much less.

7 But I just wanted to make that
8 public in case people were wondering,
9 were we affected by this, we were
10 aware of it? But we were not
11 negatively affected.

12 MS. SINGER: All right. And
13 what do you know about the condition
14 of Signature Bank?

15 MR. CAVANAUGH: Well, I mean,
16 it's been taken over. I mean, the
17 FDIC essentially created another
18 holding company to assume the assets
19 at Signature. And I think they're
20 still looking for a permanent sale,
21 but from our perspective, we're less
22 interested in who the ultimate owner
23 is than whether our deposits our
24 protected.

25 MS. SINGER: Right.

PROCEEDINGS

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2 MR. CAVANAUGH: And as long as
3 that FDIC protection for the full
4 deposit is in place, you know, we
5 feel pretty secure.

6 MR. DANIELE: Yeah, that's a
7 great point. Someone did purchase
8 the bank. I forget the name.

9 MS. MCGILL: New York Community
10 Bank.

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13 MR. DANIELE: New York
14 Community Bank. So the only thing I
15 would add is just to get a new
16 depository statement, maybe new
17 collateral going forward since it's a
18 new community bank.

19 MS. SINGER: Right.

20 MR. DANIELE: And all the
21 accounts are secured. You know,
22 you --

23 MS. SINGER: Also, the
24 requirement for how much cash the
25 bank has to keep, it's a good idea to

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1
2 understand that. Because New York
3 State had a requirement, the
4 comptroller of the currency had a
5 requirement, but in a lot of cases
6 they relaxed that requirement during
7 COVID. So it's a good idea to look
8 at that. Because for a period of
9 time, banks were required to carry a
10 considerable amount of cash in
11 reserve, and that essentially
12 evaporated over time.

13 And so that is another form of
14 insurance for your deposits. And we
15 should really understand that with
16 the bank, even though we have the
17 insurance, it's a due diligence, you
18 know, when we're looking at it.

19 MR. CAVANAUGH: Well, and also
20 long-term -- again, within the next
21 year -- we are going to be
22 recommending to the board that we
23 spend much of our accumulated cash
24 position. But, Going forward, know,
25 we want to ^{you} diversify a little bit,

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2 but I think that will be a function
3 of how much cash we have. So, you
4 know, we'll come back to the board on
5 that.

6 MR. DANIELE: And you are
7 required to have secondary
8 collateral. So even though we have
9 the 250 coverage, you have other
10 depositors, so all of your money is
11 guaranteed, even with the failure.

12 MS. SINGER: Right.

13 MR. DANIELE: So you have
14 excess coverage.

15 MS. SINGER: Well, as I said,
16 there were reasons that the
17 comptroller of the currency had the
18 cash requirements for each bank. And
19 because that was in addition --
20 because you've seen what's happened
21 in the banking world, that gives you
22 an additional feeling of security --

23 MR. DANIELE: Sure.

24 MS. SINGER: -- when you
25 understand that. So since we have

PROCEEDINGS

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2 the deposits, we don't lose anything
3 by knowing what the bank's position
4 is, currently.

5 All right. Are there any
6 questions? Okay. Would management
7 come in for --

8 MS. MCGILL: Executive section?

9 MS. SINGER: Yes.

10 MS. MCGILL: We just need to
11 state for the record that we're going
12 into executive session. We need to
13 vote to go into executive session and
14 then vote to come out of it.

15 MR. CAVANAUGH: So are we
16 looking for a motion?

17 MS. SINGER: Yes.

18 MS. NACERINO: Make a motion to
19 go into executive section.

20 MS. SINGER: Second.

21 MR. CAVANAUGH: For purposes of
22 discussion with the auditors?

23 MS. SINGER: Right.

24 (Whereupon, the committee began
25 and concluded an executive session.)

PROCEEDINGS

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2 MS. SINGER: We concluded the
3 executive session, and we asked our
4 accountants about the cooperation we
5 received from staff and the
6 management risks that were addressed,
7 and everything, according to our
8 accountants, was adequately
9 addressed.

10 So in view of that, may I have
11 a motion to accept the audited return
12 as submitted?

13 MS. NACERINO: I'll make a
14 motion to accept.

15 MR. GJONAJ: I second.

16 MS. SINGER: Second. Any
17 objections? All in favor?

18 (A chorus of ayes.)

19 MS. SINGER: So is there any
20 further business?

21 MS. MCGILL: No other items.

22 MS. SINGER: No further
23 business. I ask for a motion to
24 adjourn.

25 MS. NACERINO: I'll make a

PROCEEDINGS

motion to adjourn.

MR. GJONAJ: Motion.

MS. SINGER: Okay. Then we
stand adjourned.

(Time noted: 2:29 P.M.)

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C E R T I F I C A T E

STATE OF NEW YORK)
: SS.:
COUNTY OF WESTCHESTER)

I, NATHAN DAVIS, a Notary Public for
and within the State of New York, do hereby
certify:

That the witness whose examination is
hereinbefore set forth was duly sworn and
that such examination is a true record of
the testimony given by that witness.

I further certify that I am not
related to any of the parties to this
action by blood or by marriage and that I
am in no way interested in the outcome of
this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 31st day of March 2023.



NATHAN DAVIS

| | | | |
|------------------------|-------------------------|--------------------------|-------------------------|
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November 15, 2023

Board of Directors
Yonkers Industrial Development Agency

This letter sets forth our understanding of the terms and objectives of our engagement, and the nature and scope of the services we will provide to Yonkers Industrial Development Agency ("Agency").

Audit Scope and Objectives

We will audit the Agency's financial statements and the related notes disclosures, which collectively comprise the financial statements of the Agency as of and for the year ending December 31, 2023 and issue our report thereon as soon as reasonably possible after completion of our work. We will also provide an opinion on the Agency's compliance with its investment policy during the period January 1, 2023 through December 31, 2023 as required by the *Public Authority Law*.

Accounting standards generally accepted in the United States of America ("US GAAS") provide for certain required supplementary information ("RSI"), such as Management's Discussion and Analysis ("MD&A"), to supplement the Agency's 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. As part of our engagement, we will apply certain limited procedures to the Agency's RSI in accordance with US GAAS. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedule of Proportionate Share of the Net Pension Liability (Asset)
- Schedule of Pension Contributions

In connection with our audit of the financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- Schedule of Indebtedness - Industrial Revenue Bonds and Notes Issued
- Schedule of Straight-Lease Transactions Executed in 2023
- Schedule of Payments in Lieu of Taxes

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. 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 will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct the audit in accordance with US GAAS and GAGAS and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with US GAAS and GAGAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with US GAAS and GAGAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets and any material abuse that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The objective for our audit also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with GAGAS.
- Internal control related to the financial statements and compliance with New York State Public Authorities Law Section 2925(3)(1).

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also include, based on the audit evidence obtained, 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 a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

After our planning is complete, we will communicate to management and those charged with governance, the significant risk(s) of material misstatement identified in our audit planning.

Audit Procedures – Internal Control

We will obtain an understanding of the Agency and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to GAGAS. An audit is also not designed to identify significant deficiencies or material weaknesses. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Agency's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to GAGAS.

Reporting

We will issue a written report upon completion of our audit of the Agency's financial statements and written reports required with audits performed in accordance with GAGAS. Our reports will be addressed to management or those charged with governance of the Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by GAGAS.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, (2) the scope of testing internal control over compliance with Section 2925(3)(1) of the New York State Public Authorities Law and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance, and (3) that the report is an integral part of an audit performed in accordance with GAGAS in considering internal control over financial reporting and compliance and Uniform Guidance in considering internal control over compliance and major program compliance. The paragraph will also state that the report is not suitable for any other purpose.

We will also communicate with those charged with governance any (a) fraud involving senior management and other fraud that causes a material misstatement of the financial statements; (b) violations of laws or governmental regulations that come to our attention (unless they are clearly inconsequential); (c) disagreements with management and other serious difficulties encountered in performing the audit; and, (d) various matters related to the Agency's accounting policies and financial statements.

Other Services

We will also assist in preparing the financial statements of Agency in conformity with accounting principles generally accepted in the United States of America based on information provided by you and we may propose journal entries which may affect the financial statements.

We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, including all disclosures, and RSI and supplementary information, in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the

conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management's responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the RSI and supplementary information in accordance with US GAAP; (2) you believe the RSI and supplementary information, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the RSI and supplementary information.

Management is responsible for management decisions and assuming all management responsibilities; for designating an individual with suitable skill, knowledge, and/or experience to oversee assistance with preparing the financial statements, proposed journal entries, or other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Agency involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the Agency complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

In order to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements, management is responsible for establishing and maintaining effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities.

Management's responsibilities also include identifying any significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the audit objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Agency is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

At the conclusion of the engagement, we will request from management written confirmation concerning representations made to us in connection with the audit. The representation letter, among other things, will confirm management's responsibility for: (1) the preparation of the financial statements in conformity with US GAAP, (2) the availability of financial records and related data, and (3) the completeness and availability of all minutes of board meetings. Management's representation letter will further confirm that: (1) the effects of any uncorrected misstatements aggregated by us during the engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (2) we have been informed of, or that there were no incidences of, fraud involving management or those employees who have significant roles in the Agency's internal control. You will also be required to acknowledge in the management representation letter, when applicable, our assistance with preparation of the financial statements (including proposed journal entries) and related schedules, and RSI, and that you have reviewed and approved the financial statements, aforementioned schedules and RSI, and related notes prior to their issuance and have accepted responsibility for them. We will place reliance on these representations in issuing our report.

In the event that we become obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, as a direct or indirect result of an intentional, knowing or reckless misrepresentation or provision to us of inaccurate or incomplete information by the Organization or any director, officer or employee thereof in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us against such obligations.

To the best of your knowledge, you are unaware of any facts which might impair our independence with respect to this engagement.

The financial statements are the property of the Agency and can be reproduced and distributed as management desires. However, you must notify us in advance and obtain our approval if you intend to make reference to our firm in a document that includes our auditors' report on the financial statements. Because our engagement does not contemplate the foregoing, there may be an additional fee in connection with our review of any such documents. In the event our auditor/client relationship has been terminated when the Agency seeks such consent, we will be under no obligation to grant such consent or approval.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We understand that your accounting department personnel will assist us to the extent practicable in completing the audit. They will provide us with detailed trial balances, supporting schedules, and other information we deem necessary. A list of these schedules and other items of information will be furnished to you before we begin the audit. The timely and accurate completion of this information is an essential condition to our completion of the audit and the issuance of the audit report. We keep documents related to this engagement in accordance with our records retention policy and applicable regulations or for any additional period requested by the applicable cognizant agency (as applicable).

We keep documents related to this engagement in accordance with our records retention policy and applicable regulations or for any additional period requested by the applicable cognizant agency. If we are aware that a federal awarding agency or the Agency is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. We do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the acceptance and processing of such journal entries.

Non-reliance on oral advice

It is our policy to put all advice on which a client intends to rely in writing. We believe that is necessary to avoid confusion and to make clear the specific nature and limitations of our advice. You should not rely on any advice that has not been put in writing by our firm after a full supervisory review.

Electronic and Other Communication

During the course of the engagement, we may communicate with you or with Agency personnel via fax or e-mail. You should be aware that communication in those media may be unsafe to use and contains a risk of misdirection and/or interception by unintended third parties, or failed delivery or receipt. In that regard, you agree that we shall have no liability for any loss or damage to any person or Agency resulting from the use of e-mail or other electronic transmissions by third parties (other than our Firm), including any consequential, incidental, direct, indirect, or special damages.

Access to Working Papers

During the course of this engagement, we will develop files of various documents, schedules and other related engagement information known as our working papers. As we are sure you can appreciate, these working papers may contain confidential information and our firm's proprietary data. You understand and agree that these working papers are, and will remain, our exclusive property. Except as discussed below, any requests for access to our working papers will be discussed with you before making them available to requesting parties:

- (1) Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years we subject our system of quality control to an examination by another accounting firm. As part of this process, the other firm will review a sample of our work. It is possible that the work we perform

for you may be selected for review. If it is, the other firm is bound by professional standards to keep all information confidential.

- (2) We may be requested to make certain working papers available to regulators pursuant to authority given to them by law, regulation or subpoena. Such regulators may include (i) a federal agency providing direct or indirect funding Agor the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities; (ii) the American Institute of Certified Public Accountants; and (iii) the State Board of Accountancy. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to them. The regulator may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

Fees and billing

Our fees are based on actual time expended at our standard hourly rates. We estimate our fees to be as follows:

| | |
|--|------------------|
| | <u>2023</u> |
| Basic audit inclusive of the continued YPDI activities and pension reporting | <u>\$ 35,000</u> |

The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

The Agency generally does not receive Federal Assistance. In the event that the Agency receives and expends in excess of \$750,000 in Federal Assistance, a single audit will be required pursuant to Uniform Guidance. We estimate our fees for this compliance audit will be \$3,000 per program.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Our fees for these services are due and payable under the payment schedule which follows. Invoices for additional amounts that may be incurred for these, and other services will be rendered as such work progresses and are payable upon presentation.

| <u>Payments will be due</u> | <u>Percentage</u> |
|---|-------------------|
| Upon completion of our audit field work | 75% |
| Upon submission of the final report and management letter | <u>25%</u> |
| | <u>100%</u> |

Our hourly rates for any additional services for the initial year of the engagement are detailed below. This rate will increase by 2% each year in the subsequent years.

| Level | 2023 |
|---------------------|-----------|
| Sr. Partner/Partner | \$325-315 |
| Sr. Manager/Manager | \$250-220 |
| Supervisor | \$195 |
| Senior Accountant | \$175 |
| Associate | \$150 |

Liability

Any and all claims by the Agency arising under this engagement must be commenced by the Agency within one year following the date on which our firm delivered our report on the financial statements associated with this engagement, or the date the Agency is informed of the engagement's termination in the event our report is not delivered, for any reason.

You agree to indemnify our firm, its partners, principals and employees, to the fullest extent permitted by law for any expense, including compensation for our time at our standard billing rates and reimbursement for our out-of-pocket expenses and reasonable attorneys' fees, incurred in complying with or responding to any request (by subpoena or otherwise) for testimony, documents or other information concerning the Agency by any governmental agency or investigative body or by a party in any litigation or dispute other than litigation or disputes involving claims by the Agency against the firm. This indemnification will survive termination of this engagement.

Dispute resolution

Any claim or controversy ("dispute") arising out of or relating to this engagement, the services provided thereunder, or any other services provided by or on behalf of the firm or any of its subcontractors or agents to the Agency or at its request (including any dispute involving any person or entity for whose benefit the services in question are or were provided), shall first be submitted in good faith for mediation administered by the American Arbitration Association ("AAA") under its Mediation Rules. Each party shall bear its own costs in the mediation. Absent an agreement to the contrary, the fees and expenses of the mediator shall be shared equally by the parties.

If the dispute is not resolved by mediation within 90 days of its submission to the mediator, then, and only then, the parties shall submit the dispute for arbitration administered by the American Arbitration Association under its Professional Accounting and Related Services Dispute Resolution Rules (the "Rules"). The arbitration will be conducted before a single arbitrator selected from the AAA's Panel of Accounting Professionals and Attorneys and shall take place in New York, New York.

Any discovery sought in connection with the arbitration must be expressly approved by the arbitrator upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitrator may disclose the existence, content, or result of the arbitration only as expressly provided by the Rules.

The arbitrator shall issue his or her final award in a written and reasoned decision to be provided to each party. In his or her decision, the arbitrator will declare one party the prevailing party. The arbitrator shall have the power to award to the prevailing party reasonable legal fees associated with the arbitration and prior mediation. The arbitrator shall have no authority to award non-monetary or

equitable relief of any sort. The arbitrator shall not have authority to award damages that are punitive in nature, or that are not measured by the prevailing party's actual compensatory loss.

The award reached as a result of the arbitration will be binding on the parties and confirmation of the arbitration award may be sought in any court having jurisdiction.

Any claim by our firm seeking payment of our fees and disbursements related to this engagement and the services provided hereunder shall be brought in a federal or state court of appropriate jurisdiction sitting without a jury. YOU AND OUR FIRM IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING RELATED TO NON-PAYMENT OF ANY OF OUR FEES AND DISBURSEMENTS.

This engagement will be governed by the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

Hosting services

In order to maintain our independence in accordance with the AICPA's Code of Professional Conduct, we cannot host or maintain any client information. You are expected to retain all financial and non-financial information including anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

Employment of firm partner or professional employee

The Agency acknowledges that hiring current or former PKF O'Connor Davies personnel participating in the engagement may be perceived as compromising our objectivity, and depending on the applicable professional standards, impairing our independence in certain circumstances. Accordingly, prior to entering into any employment discussions, with such known individuals, you agree to discuss the potential employment, including any applicable independence ramifications, with the engagement partner responsible for the services.

In addition, during the term of this Engagement Letter and for a period of one (1) year after the services are completed, we both agree not to solicit, directly or indirectly, or hire the other's personnel participating in the engagement without express written consent. If this provision is violated, the violating party will pay the other party a fee equal to the hired person's annual salary in effect at the time of the violation to reimburse the estimated costs of hiring and training replacement personnel

Confirmation and other

H. Chris Kopf and Robert A. Daniele are the engagement partners and are responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

GAGAS require that we provide you with a copy of our most recent external peer review report, and any subsequent peer review reports received during the period of the contract. Our latest peer review report accompanies this letter.

We will provide copies of our reports to the Agency; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or

containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Our audit engagement for each year ends on delivery of our audit report covering that year. Requests for services other than those included in this engagement letter will be agreed upon separately.

PKF O'Connor Davies LLP ("LLP") and PKF O'Connor Davies Advisory LLC ("Advisory") practice in an alternative practice structure in accordance with applicable law, regulations and professional standards. LLP provides attest services to its clients. Advisory is not a registered CPA firm and does not provide audit or attest services. LLP has a contractual arrangement with Advisory, whereby Advisory provides LLP with professional and support personnel to perform professional services on behalf of LLP. In connection with our services, we may share information that we currently have and/or receive in the future between LLP and Advisory. Unless you indicate otherwise, your acceptance of the terms of this engagement shall be understood by us as your consent for LLP, Advisory and its employees to share confidential information between LLP and Advisory. LLP and Advisory have policies in place that require their employees to maintain as confidential all client information that is not otherwise publicly available.

All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

If this letter correctly expresses your understanding of the terms of our engagement, including our respective responsibilities, please sign the enclosed copy where indicated and return it to us.

We are pleased to have this opportunity to serve you.

Very truly yours,

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

The services and terms described in the foregoing letter are in accordance with our requirements and are acceptable to us.

YONKERS INDUSTRIAL DEVELOPMENT AGENCY

BY: _____

TITLE: _____

DATE: _____

This document, including any attachments, was not intended or written to be used, and it cannot be used, for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

PKF O'Connor Davies, LLP, is a member firm of PKF International Limited, a network of legally independent firms. Neither the other member firms nor PKF International Limited are responsible or accept liability for the work or advice which PKF O'Connor Davies, LLP provides to its clients.



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 16, 2020

To the Partners of PKF O'Connor Davies, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits of broker-dealers, and examinations of service organizations SOC 1 and SOC 2 engagements.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Davie Kaplan, CPA, P.C.
1000 First Federal Plaza • Rochester, New York 14614
Tel: 585-454-4161 • Fax: 585-454-2573 • www.daviekaplan.com

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. PKF O'Connor Davies, LLP has received a peer review rating of *pass*.

Davie Kaplan, CPA, P.C.

DAVIE KAPLAN, CPA, P.C.

Davie Kaplan, CPA, P.C.
Certified Public Accountants



Yonkers Industrial Development Agency
Audit Planning Meeting

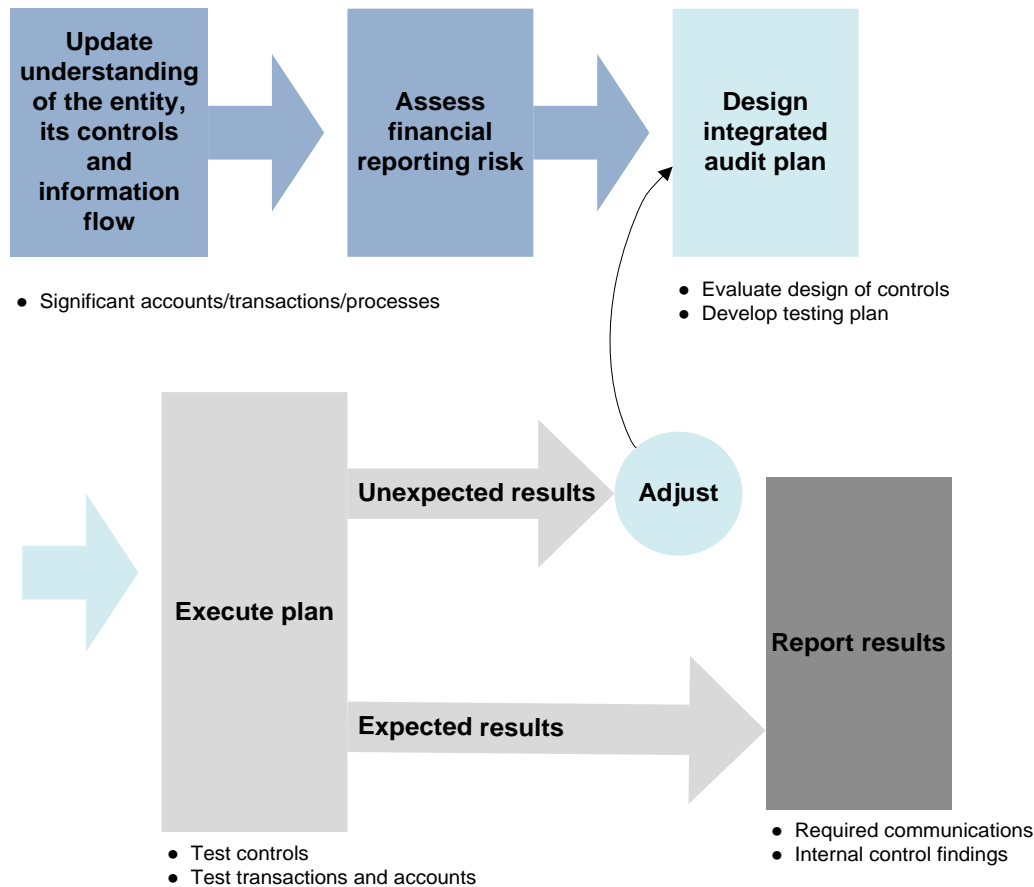
Robert A. Daniele, Partner

December 14, 2023

Agenda

- Our Audit Methodology – Overview of the Audit Process
- Auditor Reports to be Issued
- Audit Scope and Focus
- Audit Timing
- Auditors' Responsibilities
- Management's Responsibilities

Our Audit Methodology



Our Audit Methodology

- Update and document our understanding of the Agency's business environment, its policies and procedures and its internal controls
- Identify significant audit areas and level of materiality
- Perform selective tests of internal controls
- Assess risk of misstatement at the assertion level
- Develop audit plan based on risk assessment
- Perform audit plan procedures including substantive tests and analytical review
- Document process and findings
- Communicate internal control matters identified in the audit
- Issue auditors' report on financial statements

Auditor Reports to be Issued

- Independent Auditors' Report on Financial Statements
 - Inclusive of Yonkers Pier Development Corporation activities rolled into YIDA in 2015 and continued in 2016-2023
 - Inclusive of Required and Other Supplemental information
 - Managements Discussion and Analysis
 - Net Pension Liability
 - Schedule of the Agency's proportionate share of the net pension liability
 - Schedule of Contributions
 - Schedule of Industrial Revenue Bonds and Notes Issued
 - Schedule of Straight-Lease Transactions Executed in 2023
 - Schedule of Payments in Lieu of Taxes
- 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*
- Independent Auditors Report – Investment Guidelines and Section 2925 of the NYS Public Authorities Law

Audit Scope and Focus

- Cash and Equivalents/ Restricted Cash
- Accounts Receivable
 - Estimates related to collections
- Loan Receivable – YEDC
- Capital Assets
- Due to Other Entities
- Loan Payable – Yonkers Pier Development Inc. and Subsidy and NYPA Loan
- GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – Net Pension Liability, Deferred amounts on pensions
- Operating Revenue – Agency and Refinancing Fees, Management Administration Fees
- Operating Expenses – Salaries, Payroll and employee benefits, rent, consulting and and professional fees, advertising and printing
- Non-Operating Revenues (Expenses) – Workforce Grant income and expenses
- Leases in accordance with GASB Statement No 87, “Leases” , if applicable
- **Subscription-Based Information Technology Arrangements – GASB Statement No. 96**
“Subscription-Based Information Technology Arrangements (“SBITA”), if applicable

Audit Timing

| | 2023 | 2024 | |
|---|----------|---------|----------------|
| | December | January | February March |
| Audit Planning | | | |
| Audit Committee communications related to audit approach | √ | | |
| Interim Audit Procedures | | | |
| Review, evaluation and testing of internal controls | √ | | |
| Risk assessment procedures and development of detailed audit procedures | √ | | |
| Year-End Audit Procedures | | | |
| Substantive testing | | √ | √ |
| Final analytical review | | | √ |
| Report Review | | | |
| Report review | | | √ |
| Quality control | | | √ |
| Communication | | | |
| Issuance of opinions | | | √ |
| Management letter | | | √ |
| Audit Committee meeting and presentation | | | √ |

Auditors' Responsibilities

- We are responsible to
 - form and express an opinion about whether the financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles
 - perform the audit in accordance with generally accepted auditing standards and ensuring that the audit is designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement
 - communicate significant matters related to the audit that are, in our professional judgment, relevant to the responsibilities of those charged with governance in overseeing the financial reporting process
 - advise management of the appropriateness of accounting policies and their application

Auditors' Responsibilities (Continued)

- We are responsible for
 - accumulating all known and likely significant misstatements identified during the audit and communicating such misstatements to management and those charged with governance
 - communicating in writing to management and those charged with governance all significant deficiencies and material weaknesses identified during the audit
 - communicating any fraud or illegal acts that were noted during the course of our audit to management and those charged with governance. However, our audit cannot be relied upon to identify all instances of fraud or illegal acts
 - informing those charged with governance about the process used by management to formulate particularly sensitive accounting estimates and our conclusions about the reasonableness of such estimates

Auditors' Responsibilities (Continued)

- We are responsible for
 - considering the internal control solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control
 - performing tests of compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests are not to provide an opinion on compliance with such provisions

Management's Responsibility

- Management and Those Charged with Governance are responsible for
 - the selection and use of appropriate accounting policies
 - ensuring that the financial statements are prepared in accordance with generally accepted accounting principles
 - responsible for the design and implementation of programs and controls to prevent and detect fraud.
 - responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the organization

Contact Us

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Partner

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H. Chris Kopf

Partner

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“PKF O’Connor Davies” is the brand name under which PKF O’Connor Davies LLP and PKF O’Connor Davies Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with applicable professional standards. PKF O’Connor Davies LLP is a licensed CPA firm that provides attest services and PKF O’Connor Davies Advisory LLC and its subsidiary entities provide tax and advisory services. PKF O’Connor Davies is a member of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.