

**MOUNT VERNON INDUSTRIAL  
DEVELOPMENT AGENCY**

**MOUNT VERNON, NEW YORK**

**AUDITORS' REPORT ON  
FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012 AND 2011**

**Mount Vernon Industrial  
Development Agency  
December 31, 2012**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Independent Auditors'	1-2
<b>Financial Statements:</b>	
Statement of Financial Position	3
Statement of Activities and of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10
<b>Supplemental Schedules:</b>	
Supplementary Material	11-12
Report on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Accounting Standards	13-14

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Chris Yeboa, CPA  
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## **Independent Auditors' Report**

To the Board of Directors  
Mount Vernon Industrial Development Agency  
Mount Vernon, New York

We have audited the accompanying financial statements of the Mount Vernon Industrial Development Agency which comprise of the statement of financial position as of December 31, 2012, and 2011, and the related statements of activities and its changes in net assets, the statement of cash flows for the years then ended and the related notes to the financial statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States,

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

## Independent Auditors' Report (Continued)

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

These financial statements represent only the Mount Vernon Industrial Development Agency, an agency of the City of Mount Vernon, New York and are not intended to present fairly the financial position and results of operations of the City of Mount Vernon in conformity with accounting principles generally accepted in the United States of America.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mount Vernon Industrial Development Agency as of December 31, 2012 and 2011 and the results of its operations and its changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 28, 2013 on our consideration of Mount Vernon Industrial Development Agency's internal control over financial reporting.

That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The required Statement of Indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Yeboa & Lawrence, CPAs, LLP*  
Yeboa & Lawrence, CPAs, LLP  
Pelham, New York  
March 28, 2013

**Mount Vernon Industrial  
Development Agency  
Statement of Financial Position  
December 31, 2012  
(With Comparative Totals for 2011)**

	<u>2012</u>	<u>2011</u>
<b><u>Assets</u></b>		
<b>Current assets:</b>		
Cash (Note 3)	\$ 1,924,818	\$ 1,934,821
Other receivables (Note 4)	223,267	20,000
<b>Total current assets</b>	<b>2,148,085</b>	<b>1,954,821</b>
<b>Long-Term Assets (Note 2):</b>		
Buildings	2,205,000	2,205,000
Equipment	5,981	5,981
Sub-total	2,210,981	2,210,981
Less: accumulated depreciation	(546,562)	(490,857)
Net building and equipment	1,664,419	1,720,124
Land	245,000	245,000
Total Long-Term Assets	1,909,419	1,965,124
<b>Total assets</b>	<b>\$ 4,057,504</b>	<b>\$ 3,919,945</b>
<b><u>Liabilities and net assets</u></b>		
<b>Current liabilities:</b>		
Accrued expenses	\$ 11,600	\$ 11,000
Other liabilities (Note 5)	120,491	403,356
Due to other taxing jurisdictions	233,801	-
Security deposits (Notes 3 and 6)	333,869	335,477
<b>Total current liabilities</b>	<b>699,761</b>	<b>749,833</b>
Commitments and Contingencies (Note 7)		
<b><u>Net assets</u></b>		
Unreserved-undesignated	2,637,742	2,834,635
Reserved	720,001	335,477
<b>Total net assets</b>	<b>3,357,743</b>	<b>3,170,112</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,057,504</b>	<b>\$ 3,919,945</b>

The accompanying notes are an integral part of these financial statements

**Mount Vernon Industrial  
Development Agency  
Statement of Activities  
and of Changes in Net Assets  
For the year ended December 31, 2012  
(With Comparative Totals for 2011)**

	<u>2012</u>	<u>2011</u>
<b><u>Operating Revenue:</u></b>		
Income from services provided	\$ 314,792	\$ 455,048
Interest income	2,363	3,584
<b>Total operating revenue</b>	<u>317,155</u>	<u>458,632</u>
<b><u>Expenses:</u></b>		
Contractual services	79,621	182,947
Professional fees	11,600	11,000
Administrative overhead	734	1,346
Real property taxes	7,560	10,539
Consulting services	-	7,850
Office expense	-	157
<b>Total operating expenses before depreciation expense</b>	<u>99,515</u>	<u>213,839</u>
<b>Total operating income before depreciation expense</b>	<u>217,640</u>	<u>244,793</u>
Depreciation expense	<u>55,706</u>	<u>55,706</u>
<b>Total operating income (loss)</b>	<u>161,934</u>	<u>189,087</u>
<b><u>Other income (expense):</u></b>		
Payments in lieu of taxes	<u>823,702</u>	<u>816,061</u>
<b>Total other income (expense)</b>	<u>823,702</u>	<u>816,061</u>
Income before operating transfers	985,636	1,005,148
Pilot obligation to other tax jurisdictions	<u>(720,435)</u>	<u>(816,061)</u>
Increase (decrease) in net assets	265,201	189,087
Prior period adjustment	(77,570)	1,241,277
<b>Net assets, beginning of the year</b>	<u>3,170,112</u>	<u>1,739,748</u>
<b>Net assets, end of the year</b>	<u>\$ 3,357,743</u>	<u>\$ 3,170,112</u>

The accompanying notes are an integral part of these financial statements

**Mount Vernon Industrial  
Development Agency  
Statement of Cash Flows  
For The Year Ended December 31, 2012  
(With Comparative Totals for 2011)**

	<u>2012</u>	<u>2011</u>
<b>Cash flows from operating activities:</b>		
Cash collected from providing services	\$ 213,174	\$ 442,548
Cash paid for services	(98,905)	(230,936)
Cash reimbursed the City	(360,435)	-
Other operating cash receipts	<u>2,363</u>	<u>3,584</u>
<b>Net cash provided by operating activities</b>	<u>(243,803)</u>	<u>215,196</u>
<b>Cash flows from other non-operating activities:</b>		
Cash collected in lieu of taxes	720,435	816,061
Cash transferred to other jurisdiction	(486,635)	(1,237,256)
Decrease in escrow cash deposits	<u>-</u>	<u>(40,680)</u>
<b>Net cash used in other non- operating activities</b>	<u>233,800</u>	<u>(461,875)</u>
<b>Cash flows from financing activities:</b>	-	-
<b>Cash flows from investing activities:</b>	-	-
Net increase (decrease) in cash and cash equivalents	(10,003)	(246,679)
<b>Cash and cash equivalents, beginning of year</b>	<u>1,934,821</u>	<u>2,181,500</u>
<b>Cash and cash equivalents, end of year</b>	<u>1,924,818</u>	<u>1,934,821</u>
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Operating income (loss)	265,201	189,087
<b>Prior period adjustment</b>	(77,570)	1,241,277
Depreciation	55,706	55,706
<b>Changes in assets and liabilities:</b>		
(Increase) decrease in rent and other receivable	(203,267)	(10,000)
Increase (decrease) in other liabilities	(282,865)	(1,241,274)
Increase (decrease) in security deposits	(1,608)	-
Increase (decrease) in accrued expenses	600	(17,100)
Increase (decrease) in deferred income	<u>-</u>	<u>(2,500)</u>
<b>Net cash provided by operating activities</b>	<u>\$ (243,803)</u>	<u>\$ 215,196</u>

The accompanying notes are an integral part of these financial statements

**The Mount Vernon Industrial  
Development Agency  
Notes to Financial Statements  
December 31, 2012**

**Note 1      Organization**

The Mount Vernon Industrial Development Agency (“Agency”) is a Public Benefit Corporation authorized by the State of New York under the Industrial Development Agency Act to issue revenue bonds/notes to support a business project in financing all or part of the cost of acquiring, constructing, improving and equipping both commercial and private firms. The developer (project owner) makes payments to retire these obligations, pursuant to a contractual arrangement. Generally, property involved in a project is legally titled to the Agency until the bond or note is retired or satisfied. Once the financial obligation is liquidated, the lease usually includes a provision for the developer to purchase the property for a nominal fee. The Agency also has the power to acquire by purchase, grant, gift, and pursuant to the provisions of eminent domain procedure law; to lease, equip, furnish and grant options to purchase facilities. In addition to the arranging of long-term financing, the Agency’s purpose is to actively promote, attract, encourage and develop an economically sound commerce and industry to prevent economic deterioration and unemployment in the City of Mount Vernon.

Development projects, which are approved for assistance by the Agency, are financed through the issuance of Industrial Development Bonds and notes. The bonds and notes are obligations of the Agency (they are backed only by a pledge of Agency revenues, including revenues from the lease, sales or other fees collected from projects) but are payable solely out of lease payments made by the developers. All lease payments are made to a trustee for disbursement to lenders. While these bonds are a special obligation of the Agency, they are not an obligation against the general credit of the Agency neither are they a liability or debt of the State of New York nor the City of Mount Vernon. The Agency does not record the assets or liabilities resulting from completed bonds and note issues on its books, since its primary function is to arrange financing between the developers and the bond or note holders. These projects may also receive partial real estate tax exemption.

Collateralization for the bonds is derived from the related property and from the assignment of the Agency’s rights to the Trustee of the bonds.

**The Mount Vernon Industrial  
Development Agency  
Notes to Financial Statements  
December 31, 2012**

Note 1      **Organization (Continued)**

The lease agreements provide that payments be made to the designated Bond Trustee in sufficient amounts so as to meet the debt obligations of the bonds while running concurrently with the related bonds. The Trustees are appointed jointly by the Bondholder and the Agency and are independent of the Agency.

The Agency also provides straight leasing agreements with developers. In a straight lease agreement, the Agency takes title to the property or equipment and provides property and sales tax exemptions. The developer obtains his own financing, if necessary.

Note 2      **Summary of Significant Accounting Policies**

The accounting policies of the Agency, a component unit of the City, conform to generally accepted accounting principles as applicable to an enterprise fund of a governmental unit. The accrual basis of accounting is followed by the Agency. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned and become measurable and expenses are recognized in the period incurred.

**Payments-In-Lieu-of-Taxes**

Payments-In-Lieu-Of-Taxes, (PILOTS) represent negotiated quarterly payments by the Agency upon the removal of a property from the City's tax roll. Payments collected by the Agency are then distributed to the tax jurisdictions that are non-exempt from tax revenues, based on a pre-determined mandated allocation issued by the state of New York.

**Revenue**

Revenue is derived from the various fees charged by the Agency for providing services to the projects that have been approved for redevelopment, annual lease payments from developers and from the sale of Agency properties.

**The Mount Vernon Industrial  
Development Agency  
Notes to Financial Statements  
December 31, 2012**

Note 2      **Summary of Significant Accounting Policies (Continued)**

**Property and Equipment**

Property and equipment are stated at cost. Depreciation on property and equipment is computed using the straight-line method over the following useful lives of the assets:

Buildings and improvements	40.0 years
Equipment-computer	3.0 years

Depreciation expense was \$55,706 for the year then ended.

**Net assets**

Unrestricted net assets represent the undesignated reserve of the Agency. (The amount is available for future spending). There are projects pending that may require the use of the Agency's accumulated resources. Restricted net assets represent funds allocated from pilots to be distributed as they become due.

**Cash Flows**

For the purpose of the statements of cash flow, cash represents only cash on demand.

**Real Estate Owned**

The Agency acquired land and buildings located at 215-242 South Fourth Avenue and 204-208 South Fifth Avenue. The Agency proposes to utilize the premises as part of the City's Third Street Revitalization Program to advance the general prosperity and economic welfare of the people of the State of New York by redeveloping the premises at a future date.

**The Mount Vernon Industrial  
Development Agency  
Notes to Financial Statements  
December 31, 2012**

**Note 3      Cash**

Cash as of December 31, 2012 and December 31, 2011 consisted of the following:

	<u>2012</u>	<u>2011</u>
Operating cash	\$ 1,590,949	\$ 1,600,344
Reserved (held in escrow)	<u>333,869</u>	<u>334,477</u>
<b>Total</b>	<b><u>\$ 1,924,818</u></b>	<b><u>\$ 1,934,821</u></b>

All Agency deposits with financial institutions were covered by the federal depository insurance or collateralized. The Agency had operating cash in two accounts and reserve cash held in separate bank accounts for each on-going project.

**Note 4      Other Receivable**

Other receivable as of December 31, consisted of:

	<u>2012</u>	<u>2011</u>
Pilot receivable	\$ 103,267	\$ -
Agency fee	40,000	-
Rent receivable	<u>80,000</u>	<u>20,000</u>
<b>Total</b>	<b><u>\$ 223,267</u></b>	<b><u>\$ 20,000</u></b>

**Note 5      Other Liabilities**

The Agency has in its custody, funds belonging to the other taxing jurisdictions (pilot payments). As of December 31, 2012 and 2011, the outstanding pilot liability was \$120,491 in each of the years.

**The Mount Vernon Industrial  
Development Agency  
Notes to Financial Statements  
December 31, 2012**

**Note 6      Security (Escrow) Deposits**

Special security accounts are established in the names of the development projects that were approved for assistance by the Agency. The accounts are maintained as a security tool to cover any cost incurred by the Agency during the time the projects remain under the guidance of the Agency. Upon completion of the projects, the security accounts are then closed. As of December 31, 2012 and 2011, the amounts in the security accounts were \$333,869 and \$335,477 respectively.

**Note 7      Commitments and Contingencies**

In the normal course of business, there may be various outstanding contingent liabilities such as lawsuits etc. that are not reflected in the accompanying financial statements. The Agency has been named a party to several material pending and or threatened litigation, claims or assessment. The Agency Council has advised us that at this stage in the proceedings, an opinion cannot be offered as to the probable outcome, however, the Agency is fully indemnified, held harmless and insured by the project developer, which has the obligation to defend and hold the Agency harmless from such claims.

Federal and State income tax regulations have limited the tax advantage of the use of Industrial Development Bonds.

**Note 8      Prior Period Adjustment**

The corporation adjusted its beginning net assets to recognize funds belonging to another city agency that were recorded as revenue in the financial statements of a prior year. The amount of the adjustment affecting the net assets was \$77,570.

**Mount Vernon Industrial  
Development Agency  
Statement of Indebtedness  
December 31, 2012**

	Tax Exemption Granted	Purpose of Mortgage	Date of Issue	Interest Rate	Maturity Date	Maturity Amount	Federal Tax Status	Original Proceeds of Issue	Balance December 31, 2011	Principal Paid 2012	Balance December 31, 2012
Kings Court, LLC 117 South 2nd Ave. Mount Vernon, NY 10550	Yes	Senior Citizens Housing	12/10/2003	0.03625	2005	\$ 25,000	Exempt	\$ 25,000	\$ -	\$ -	\$ -
				0.0363	2006	\$ 25,000	Exempt	\$ 25,000	\$ -	\$ -	\$ -
				0.037	2007	\$ 25,000	Exempt	\$ 25,000	\$ -	\$ -	\$ -
				0.0375	2008	\$ 25,000	Exempt	\$ 25,000	\$ -	\$ -	\$ -
				0.0405	2009	\$ 30,000	Exempt	\$ 30,000	\$ -	\$ -	\$ -
				0.0405	2010	\$ 30,000	Exempt	\$ 30,000	\$ -	\$ -	\$ -
				0.0425	2011	\$ 30,000	Exempt	\$ 30,000	\$ -	\$ -	\$ -
				0.0425	2012	\$ 35,000	Exempt	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
				0.043	2013	\$ 35,000	Exempt	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
				0.044	2014	\$ 35,000	Exempt	\$ 35,000	\$ 35,000	\$ -	\$ 35,000
				0.045	2015	\$ 40,000	Exempt	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
				0.045	2016	\$ 40,000	Exempt	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
				0.0475	2017	\$ 45,000	Exempt	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
				0.0475	2018	\$ 45,000	Exempt	\$ 45,000	\$ 45,000	\$ -	\$ 45,000
			12/10/2003	0.05125	2023	\$ 280,000	Exempt	\$ 280,000	\$ 280,000	\$ -	\$ 280,000
			12/10/2003	0.052	2033	\$ 955,000	Exempt	\$ 955,000	\$ 955,000	\$ -	\$ 955,000
						<u>\$ 1,700,000</u>		<u>\$ 1,700,000</u>	<u>\$ 1,510,000</u>	<u>\$ 35,000</u>	<u>\$ 1,475,000</u>
A-Val Architectural 240 Washington Street Mount Vernon, NY 10550	Yes	Senior Citizens Housing	11/1/2006		2026		Exempt	\$ 4,120,000	\$ 3,474,954	\$ 180,233	\$ 3,294,721

\* Accrued interest on bonds not included.

**Mount Vernon Industrial  
Development Agency  
Statement of Indebtedness  
December 31, 2012**

	Federal Tax Status	Tax Exemption Granted	Purpose of Mortgage	Date of Issue	Interest Rate	Maturity Date	Maturity Amount	Original Proceeds of Issue	Balance December 31, 2011	Principal Paid 2012	Balance December 31, 2012
Wartburg Senior Housing, Inc. D/B/A Meadowview at the Wartburg Civic Facility Wartburg Place Mount Vernon, NY 10552	Exempt Exempt Exempt	Yes	Assisted Living	6/1/1999	0.06 0.0615 0.062	2009 2019 2029	\$ 1,740,000 \$ 4,695,000 \$ 8,565,000	\$ 1,740,000 \$ 4,695,000 \$ 8,565,000	\$ - \$ 3,965,000 \$ 8,565,000	\$ - \$ 400,000 \$ -	\$ - \$ 3,565,000 \$ 8,565,000
							<u>\$ 15,000,000</u>	<u>\$ 15,000,000</u>	<u>\$ 12,530,000</u>	<u>\$ 400,000</u>	<u>\$ 12,130,000</u>
Macedonia Towers, LLC 150 South Fifth Avenue Mount Vernon, NY 10552	Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt Exempt	Yes	Multi-Family Senior Citizens Housing	12/10/2003	0.033 0.035 0.0375 0.0375 0.04 0.04 0.0425 0.0425 0.043 0.044 0.045 0.045 0.0475 0.0475 0.05125 0.052	2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2023 2033	\$ 90,000 \$ 95,000 \$ 95,000 \$ 95,000 \$ 100,000 \$ 105,000 \$ 115,000 \$ 120,000 \$ 125,000 \$ 125,000 \$ 135,000 \$ 140,000 \$ 140,000 \$ 150,000 \$ 150,000 \$ 160,000 \$ 975,000 \$ 3,275,000	\$ 90,000 \$ 95,000 \$ 95,000 \$ 95,000 \$ 100,000 \$ 105,000 \$ 115,000 \$ 120,000 \$ 125,000 \$ 125,000 \$ 135,000 \$ 140,000 \$ 140,000 \$ 150,000 \$ 150,000 \$ 160,000 \$ 975,000 \$ 3,275,000	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 120,000 \$ 125,000 \$ 125,000 \$ 135,000 \$ 140,000 \$ 140,000 \$ 150,000 \$ 150,000 \$ 160,000 \$ 975,000 \$ 3,275,000	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 120,000 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 125,000 \$ 125,000 \$ 135,000 \$ 140,000 \$ 140,000 \$ 150,000 \$ 150,000 \$ 160,000 \$ 975,000 \$ 3,275,000
							<u>\$ 5,900,000</u>	<u>\$ 5,900,000</u>	<u>\$ 5,205,000</u>	<u>\$ 120,000</u>	<u>\$ 5,085,000</u>
Grace Towers Housing, LLC	Exempt	Yes	Family Housing	12/13/2007	0.059	2040	\$ 19,900,000	\$ 19,900,000	\$ 11,530,000	\$ -	\$ 11,530,000

# Yeboa & Lawrence, CPAs, LLP

Certified Public Accountants and Consultants

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Chris Yeboa, CPA  
Mary-Ann Lawrence, CPA

To the Board of Directors  
Mount Vernon Industrial Development Agency, Inc.  
Mount Vernon, New York

## Report On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Mount Vernon Industrial Development Agency, Inc. as of and for the year ended December 31, 2012, and have issued our report thereon dated March 28, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States.

In planning and performing our audit of the financial statements of Mount Vernon Industrial Development Agency, Inc. for the year ended December 31, 2012, we considered Mount Vernon Industrial Development Agency, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of our auditing procedure, we evaluated the internal controls which safeguards the organization's assets and record transactions during the accounting cycle, in order to determine the extent of our substantive or year end testing.

The management of Mount Vernon Industrial Development Agency, Inc. is responsible for establishing and maintaining an internal control structure. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the presentation of financial statements in accordance with generally accepted accounting principles.

Report On Internal Control Over Financial Reporting Based On An Audit Of  
Financial Statements Performed In Accordance With Government Auditing  
Standards -Continued

We obtained an understanding of the design of relevant policies and procedures and we observed whether they have been placed into operation. We noted no matter involving the internal control structure and its operation that we considered to be a reportable condition.

A reportable condition involve a matter coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting, that in our judgment, could adversely affect the organization's ability to record, process, summarize and report financial data in a manner that is consistent with the assertions of management in the financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

**The internal control finding is as follows:**

**Finding**

**Current year**

**None**

**Prior Year**

**None**

This report is intended for the information of the management, board of directors and the Office of the Comptroller of the state of New York. However, this report is a matter of public record and its distribution is not limited.

  
Yeboa & Lawrence, CPAs, LLP  
Pelham, New York  
March 28, 2013