

L-M Joint Garbage Disposal Commission

740 West Boston Post Road • Mamaroneck, NY 10543 • 914-381-7810

On November 14, 2023 at 3:00PM the Larchmont-Mamaroneck Joint Garbage Disposal Commission will convene in Conference Room A located on the Second Floor at 740 West Boston Post Road, Mamaroneck, NY 10543.

1. 2024 Tentative Budget
2. 2024 Goals
3. Wednesday holiday calendar
4. Approval of minutes of February 16, 2023 meeting
5. Vehicle maintenance issues
6. 6:00AM start on 90+ degree days
7. AC repair – use of contingency
8. Audit engagement letter

November 14, 2023

Honorable Supervisor Jaine Elkind-Eney

Honorable Mayor Sarah Bauer

Re: 2024 Tentative Sanitation Commission Budget

OVERVIEW

I am pleased to transmit the 2024 Tentative Sanitation Commission Budget. This budget has been prepared with continuing uncertainty regarding the future of the Commission. After further review of operational issues and fund balance, I have revised the budget previously submitted and would respectfully request that you consider this revised budget.

The Tentative 2024 budget totals \$4,293,074, which is an increase of \$166,784 over the 2023 adopted budget. This total includes \$2,189,520 in operation and maintenance support and \$2,103,554 in general budget support. After further review, the total municipal revenue required to support the 2024 Tentative budget has now been apportioned at 57% to the Town and 43% to the Village. This apportionment is based on a recent review of collections performed specifically to obtain a current estimate of weights for each community. Total revenue required of the Town is \$2,234,955, or a decrease of \$45,853 and of the Village is \$1,686,019, or an increase of \$101,050.

REVENUES

The total revenue increase of \$166,784 is predominantly the result of the increase in revenue from the Village's share and an increase in fund balance support. Little has changed in the other revenue received by the Commission.

EXPENDITURES

The largest expenditure increases have been budgeted in the following categories:

- Contractual salaries (\$43,376)
- Employee Retirement (\$47,317)
- Insurance (\$21,000)
- Health insurance (\$80,459)
- Capital expense (\$17,240)

There were also reductions in certain expenses such as fuel and utility costs since those costs have moderated somewhat since last year when the 2023 budget was prepared.

Further explanation of key proposed expenditures is as follows:

The contractual increase for employee salaries is 2%. I have also included an increase of 3% for all administrative employees, which is what we are proposing for management/non-union salaries in the Town budget.

Given current conditions, I have been able to minimally reduce utility costs to be consistent with the estimates we are budgeting for in the Town budget for items such as electricity, water, and fuel.

We have not been given information on an increase per ton for the County disposal fees, but I have roughly estimated a 2% from the 2023 projected figure.

The expenses relative to uniforms anticipates a change to a uniform service, rather than relying on in-house cleaning. This figure also includes the contractual allowance for boot reimbursement for staff.

I am still working on clarifying the workers' compensation premium estimate so that may change.

I have maintained the contingency level currently in the 2024 budget. Since we do not know the breadth of potential costs relative to any change that may be made to operations after the end of 2024, I firmly believe we need available funds to manage unknown expenses that may come up in anticipation of operational and/or organizational changes that could be put into effect in 2025.

Lastly, the capital cost of \$80,000 included in the budget is to pay for floor repair in the building and a new F-250 Chevy pickup truck.

PROJECTED 2023 TOTALS

Also provided is a projection summary for operations at the end of 2023. I am anticipating a total expense savings of \$331,651 from operations in 2023. I am also projecting an increase in revenue of \$9,794 and am not anticipating the actual use of fund balance to cover any budget shortfall. The impact on the fund balance is discussed below.

FUND BALANCE

A fund balance projection is provided for the end of the 2023 fiscal year. Based on a review of 2023 operations as of the middle of October, the expected fund balance will be \$668,318. This is an increase from the fund balance at the end of 2022 of \$241,445, largely because of reduced utility costs, workers' compensation reductions and the lack of expenditures related to any changes in the organization and administration of sanitation services that were anticipated. While we still don't know at the time this budget is being prepared what, if any organizational changes will be made in 2024, certain expenses such as those to cover legal and unknown expenses that would be paid through the use of contingency have been maintained. In addition, the demolition of the incinerator building should be considered for this year. I previously asked Calgi Construction for a ballpark estimate, which they provided at no cost to the Commission. It is estimated that the demolition of this building could be in excess of \$1 million. This has not specifically been budgeted, but it is a significant issue that should be discussed. Since the professional work and asbestos evaluation would need to be done prior to any demolition, if we moved forward on this project we will need to utilize some level of fund balance to cover these costs.

Despite the project recommended above, I have included a fund balance appropriation of \$200,000 for the 2024 Tentative Budget to mitigate the significant increase in the Village's share of budgetary support because of the new allocation percentages. I believe that this will still allow the Commission to manage its operational and cash flow needs, while providing funding for the initial work required for the recommended incinerator project.

I look forward to our discussion regarding the Tentative 2024 budget.



Meredith S. Robson, Superintendent

LARCHMONT MAMARONECK JOINT GARBAGE DISPOSAL COMMISSION
 2024 TENTATIVE BUDGET

TOM
VOL

57%
43%

REVENUES	2022 ACTUALS *	2023 ADOPTED BUDGET*	2023 YEAR-TO-DATE* 10/14/23	2023 PROJECTED*	2024 PROPOSED BUDGET	Variance in \$ from 2023 Adopted
Revenue Town of Mamaroneck @ 57%	2,195,255	2,280,808	1,900,673	2,280,808	2,234,955	(45,853)
Revenue Village Of Larchmont @ 43%	1,525,317	1,584,969	905,697	1,584,969	1,686,019	101,050
Insurance Recovery	16,391	10,000	8,564	10,000	10,000	-
Health Insurance-Employee Deductions	50,951	51,181	42,038	52,261	57,487	6,306
Inter-Government Charges- New Rochelle IMA	25,584	14,632	14,335	14,335	14,866	234
Rental Income	51,575	52,000	43,288	51,946	51,946	(54)
Miscellaneous	260,771					-
Sales of Product Income	15,087	13,500	16,335	17,000	15,000	1,500
Interest Income	2,161	1,200	1,328	2,100	1,800	600
Dumpster Fees	18,525	18,000	21,565	22,665	21,000	3,000
Refund of Appropriations - Prior Years		-				-
Applied Surplus		100,000			200,000	100,000
Total REVENUE	\$ 4,161,617	\$ 4,126,290	\$ 2,953,823	\$ 4,036,084	\$ 4,293,074	\$ 166,784

LARCHMONT MAMARONECK JOINT GARBAGE DISPOSAL COMMISSION
 2024 TENTATIVE BUDGET

Acct. #	Description+A1:N44	2022 ACTUALS	2023 ADOPTED BUDGET	2023 YEAR-TO-DATE 10/14/23	2023 PROJECTED	2024 PROPOSED BUDGET	Variance in \$ from 2023 Adopted
200	Operation/Maintenance						
201	Salaries -Full Time	\$ 1,403,940	\$ 1,451,575	\$ 1,165,997	\$ 1,443,615	\$ 1,494,951	\$ 43,376
201A	Salaries - Overtime	54,877	54,200	46,363	57,402	55,284	1,084
202	Salaries-Part Time	66,433	65,000	52,368	64,850	66,300	1,300
203	Materials/Supplies	7,107	13,000	6,130	8,000	13,000	-
203A	Dumpsters Waste Containers	16,720	26,000	20,150	20,520	26,000	-
204	Equipment Repairs	55,205	49,000	964	58,000	50,000	1,000
205	Building/Grounds Repairs	8,192	12,500	7,440	42,950	12,500	-
206	Electricity	7,705	12,000	6,052	8,100	9,000	(3,000)
207	Water/Sewer Rent	2,107	1,500	476	2,000	700	(800)
208	Fuel Oil	5,021	9,000	2,760	6,000	6,600	(2,400)
209	Propane Fuel		-				-
210	Diesel Fuel	94,722	98,250	34,991	75,000	86,500	(11,750)
211	Gasoline	-	500		-		(500)
212	County Garbage Disposal Fees	250,018	268,412	171,750	258,000	265,000	(3,412)
213	Yard Waste/Organics Disposal Fees	14,331	17,000	11,435	14,500	17,000	-
213A	Food Waste Disposal Fees	795	1,200	480	850	1,200	-
214	Uniforms	8,583	11,000	6,196	9,000	20,205	9,205
215	Highway Tolls	7,926	10,200	6,405	9,600	10,200	-
216	Service Contracts	43,289	46,250	28,358	43,000	49,000	2,750
217	Exterminator	900	1,080	810	975	1,080	-
218	Miscellaneous	79,955	5,000	2,106	3,500	5,000	-
Total Operation/Maintenance		2,127,826	2,152,667	1,571,231	2,125,862	2,189,520	36,853
301	Salaries-Administration	63,712	69,699	48,622	69,700	76,940	7,241
301A	Clerical Help-Part Time	5,000	5,000	-	5,000	-	(5,000)
302	Contingency		150,000	-	-	150,000	-
303	Printing & Stationary	127	2,500	793	850	2,500	-
304	Office Supplies	2,914	2,500	1,231	2,500	2,500	-
305	Telephone	1,340	2,000	-	1,800	2,000	-
306	Sewer Tax	4,051	4,071	3,804	3,804	4,071	-

LARCHMONT MAMARONECK JOINT GARBAGE DISPOSAL COMMISSION
 2024 TENTATIVE BUDGET

Acct. #	Description+A1:N44	2022 ACTUALS	2023 ADOPTED BUDGET	2023 YEAR-TO-DATE 10/14/23	2023 PROJECTED	2024 PROPOSED BUDGET	Variance in \$ from 2023 Adopted
307	Payroll Processing	9,773	12,500	7,926	10,500	12,500	-
308	Public Notices		1,500	-	200	1,500	-
309	Employee Retirement	195,671	193,515	43,330	196,000	240,832	47,317
310	Insurance-Liability	95,740	104,000	93,824	104,000	125,000	21,000
311	Insurance-Life	643	800	538	700	735	(65)
312	Insurance-Health	701,226	770,941	708,066	774,000	851,400	80,459
312A	Medicare Payments	24,642	29,682	24,129	24,129	29,682	-
313	Insurance-Disability	408	650	520	650	670	20
314	Insurance -Worker's Comp	314,352	346,413	285,676	285,676	300,000	(46,413)
316	Social Security	115,522	120,000	96,661	125,506	129,551	9,551
316A	Commuter Tax	2,419	2,592	897	2,542	2,700	108
317	Attorney	15,977	30,000	3,585	3,585	30,000	-
319	Recycling Equipment	25,145	25,000	11,533	25,000	25,000	-
320	Dental Insurance	25,774	27,000	20,216	24,260	25,473	(1,527)
321	Consultant	-					
322	Auditor	6,600	10,500	8,375	8,375	10,500	-
323	Capital Expenses		62,760			80,000	17,240
	Distribution of Surplus	549,247					
	Total General Charges	2,160,283	1,973,623	1,359,726	1,668,777	2,103,554	129,931

Total Expenses	\$ 4,288,109	\$ 4,126,290	\$ 2,930,957	\$ 3,794,639	\$ 4,293,074	\$ 166,784
NET	\$ (126,492)	\$ -	\$ 22,866	\$ 241,445	\$ -	\$ -

LMJGC
2024 FUND BALANCE PROJECTION

	TOTAL
Fund Balance @ 12/31/22	\$ 426,873
Projected Revenue- FY 2023	\$ 4,036,084
Projected Expenses- FY 2023	(3,794,639)
FUND BALANCE @ 12/31/2023	\$ 668,318
Projected Revenue- FY 2024	4,093,074
Projected Expenses- FY 2024	(4,293,074)
FUND BALANCE @ 12/31/2024	\$ 468,318 10.91%

New Rochelle IMA
Garbage Removal for 19 Homes in Pryor Manor

Year	Town Average Home AV	SR Tax Rate	Tax per Property	Total Due for 19 Properties
2024	\$ 1,537,000	0.509073	\$ 782.45	\$ 14,866
2023	1,408,000	0.547158	\$ 770.40	\$ 14,632

TOWN OF MAMARONECK



GARBAGE DISTRICT

DEPARTMENTAL MISSION

The Larchmont Mamaroneck Joint Garbage Disposal Commission (Commission) is committed to providing waste management and recycling services of the highest quality, delivered in a professional manner to our customers in the Town of Mamaroneck and Village of Larchmont., utilizing environmentally sensitive equipment that is safe, efficient, reliable, and appropriate to the work performed. In carrying out our mission, we intend to provide and maintain the best possible work environment for our employees.

OPERATING ENVIRONMENT/WORKLOAD INDICATORS

The Commission is a joint agency of the Town of Mamaroneck and Village of Larchmont created by an act of the New York State Legislature in 1938. The Commission provides waste management and recycling collection services to over 5,600 residential and commercial customers. Salaries/benefits and expenses are paid by the Commission and services are contracted to the Town of Mamaroneck and the Village of Larchmont.

2023 ACCOMPLISHMENTS

- To provide more convenience to our customers, the Commission continued to offer for purchase waste and recycling receptacles at the Maxwell Avenue Facility.
- Working with the Sustainability Collaborative continued to offer for sale Food Waste Kits at the Farmer's Market
- Numerous discussions between the Town of Mamaroneck and the Village of Larchmont have taken place to determine the future of sanitation services.

2024 GOALS

- Review of the organizational structure and services offered by the Commission to determine the feasibility and effectiveness of transitioning to a new organization in 2025, as determined by the Town and Village Boards.
- Review the use of automated refuse collection vehicles to improve operations and provide a safer work environment for employees.
- Begin to investigate enhanced food waste collections.



Larchmont - Mamaroneck Joint Garbage Disposal Commission



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Sanitation Commission - Minutes 02/16/23

Attendees: Town Supervisor Jaine Elkind Eney
Mayor Sarah Bauer
Superintendent Meredith Robson

Meeting was called to order at 3:30 pm on motion by Mayor Bauer and second by Supervisor Elkind Eney.

Commissioners approved the minutes of January 13, 2023 on motion by Supervisor Elkind Eney and second by Mayor Bauer.

After discussion of recommended fee changes by Superintendent Robson, sanitation fees were approved as recommended, except for the food waste kit price which was set at \$30, on motion by Mayor Bauer and second by Supervisor Elkind Eney.

On motion by Supervisor Elkind Eney and second by Mayor Bauer, the health benefit budget amendment of \$32,300 was approved in the following manner:

\$16,500 to be moved from Contingency to Account 312 Insurance-Health. The other half of the cost to be paid proportionately by each community, in addition to the annual contributions set in the 2023 Adopted Budget. This was decided after discussion about the impact of the budget amendment on the 2023 budget and the list of potential maintenance/repair items discussed by the Superintendent with the Commissioners. Both Commissioners have acknowledged the potential maintenance/repair items and understand that they may be brought up for approval during the year once final cost estimates are secured. These items may entail future budget amendments and impacts on available funding.

The meeting was adjourned at 3:58 pm on a motion by Mayor Bauer and second by Supervisor Elkind Eney.

Equip Code	Asset Desc.	Admin Dept.	Asset Type	Status	Beg Date Range	End Date Range	YTD Miles	LTD Miles	TOTAL Repair cost	PM Labor Cost	PM Inventory Cost	PM Supplies Cost	Non-PM Labor Cost	Non-PM Inv Cost	Non-PM Supply Cost
609	2007 MACK CTP713	5161	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	199.00	199.00	21,729	1,110	685	45	5,080	14,261	547
610	2010 MACK GU813	5161	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	1,609.00	1,609.00	16,876	-	-	45	6,197	2,111	8,522
611	2012 MACK GU813	5161	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	1,191.00	1,191.00	4,663	416	280	90	937	2,940	-
612	2015 HINO 338-15	5161	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	2,405.00	2,405.00	15,060	416	-	224	2,827	1,380	10,212
614	2018 HINO 338-19	5161	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	2,972.00	2,972.00	8,323	416	188	-	2,533	5,185	-
5 VOL GARBAGE VEHICLES		5161 Total	Billed and \$28,829; Unbilled \$37,822						66,651	2,360	1,154	404	17,574	25,878	19,281
117	2002 MACK RD690S (RETROFIT)	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	71,237.00	71,237.00	6,051	-	-	45	3,127	1,775	1,104
109	2007 MACK CTP713	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	1,268.00	1,268.00	12,027	-	-	-	3,526	6,542	1,960
120	2010 MACK GRANITE(GU813)	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	0.00	0.00	7,158	-	-	-	972	6,157	30
121	2012 MACK GU813	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	2,164.00	2,164.00	5,744	-	-	45	2,325	2,528	846
122	2013 HINO 338	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	2,321.00	2,321.00	7,684	694	454	45	3,331	3,160	-
123	2015 HINO 338-15	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	3,535.00	3,535.00	5,270	-	-	-	2,207	2,185	878
124	2018 HINO 338	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	3,380.00	3,380.00	3,685	-	-	45	1,423	1,674	544
125	2022 FREIGHTLINER REFUSE TRUCK	8160	REFUSE TRUCK	In Service	01/01/2023	10/14/2023	4,771.00	4,771.00	10,740	-	-	-	902	5,230	4,608
8 TOM GARBAGE VEHICLES		8160 Total	Charged \$19,714; Not yet charged to SR \$38,647						58,361	694	454	180	17,812	29,251	9,970
681	1983 EAST TRAILER	8161	TRAILER	In Service	01/01/2023	10/14/2023	0.00	0.00	-	-	-	-	-	-	-
685	1985 MACK R688ST	8161	HEAVY DUTY TRUCK	In Service	01/01/2023	10/14/2023	0.00	0.00	-	-	-	-	-	-	-
620	2000 MACK RD688S	8161	HEAVY DUTY TRUCK	In Service	01/01/2023	06/30/2023	0.00	0.00	397.90	-	-	45	243	-	110
170	2001 CATERPILLAR BACKHOE	8161	BACKHOE	In Service	01/01/2023	06/30/2023	0.00	0.00	138.80	-	-	-	139	-	-
505	2005 CHEVY PU 2500	8161	PICKUP TRUCK	In Service	01/01/2023	10/14/2023	1,502.00	1,502.00	1,074	-	-	-	555	518	-
507	2007 FORD F250	8161	PICKUP TRUCK	In Service	01/01/2023	10/14/2023	112.00	112.00	35	-	-	35	-	-	-
515	2015 FORD F250	8161	PICKUP TRUCK	In Service	01/01/2023	10/14/2023	2,215.00	2,215.00	1,316	139	29	37	208	733	170
682	2019 STECO TRAILER	8161	TRAILER	In Service	01/01/2023	10/14/2023	0.00	0.00	12	-	-	12	-	-	-
GC GARBAGE VEHICLES		8161 Total	Billed and \$536; Unbilled \$2,437						2,973	139	29	129	1,145	1,252	280
		Grand Total							\$ 127,985	\$ 3,192	\$ 1,636	\$ 713	\$ 36,532	\$ 56,380	\$ 29,531



September 14, 2023

Ms. Meredith Robson
Superintendent
Larchmont-Mamaroneck Joint Garbage Commission
740 West Boston Post Road
Mamaroneck, New York 10543

Dear Ms. Robson:

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 Larchmont-Mamaroneck Joint Garbage Disposal Commission (the "Entity").

Prior to the commencement of our audit(s) we may not know if an audit performed in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards ("Uniform Guidance") is required. Consequently, this letter includes the words "if applicable" next to relevant single audit communication requirements.

Audit Scope and Objectives

We will audit the Entity's statements of the governmental activities, each major fund and the disclosures, which collectively comprise the basic financial statements of the Entity as of and for the years ended December 31, 2023 and 2024 and issue our report thereon as soon as reasonably possible after completion of our work.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Entity'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 Entity's RSI in accordance with auditing standards generally accepted in the United States of America, ("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 Funding Progress – Other Post-Employment Benefits
- Schedule of Contributions and proportionate share of Net Pension Liability

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We have also been engaged to report on supplementary information other than the RSI that accompanies the Entity's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS, *Government Auditing Standards* issued by the Comptroller General of the United States ("GAGAS") (if applicable), and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") (if applicable), and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- Combining and individual fund Financial Statements and Schedules
- Schedule of Expenditures of Federal Awards (if applicable)

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, error, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Entity or to acts by management or employees acting on behalf of the Entity; and 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; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Because the determination of abuse is subjective, GAGAS do not expect auditors to provide reasonable assurance of detecting abuse. 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, GAGAS (if applicable), and Uniform Guidance (if applicable) 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, GAGAS (if applicable), and Uniform Guidance (if applicable), and will include tests of accounting records, a determination of major programs in accordance with Uniform Guidance (if applicable), and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with US GAAS, GAGAS (if applicable), and Uniform Guidance, 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, GAGAS (if applicable), and Uniform Guidance (if applicable). 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 and on those programs we have determined to be major programs (if applicable). 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 include such matters in the reports required for a Single Audit (if applicable). 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 (if applicable).
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations (if applicable).

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Entity'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 (if applicable).

Uniform Guidance (if applicable) requires that we also plan and perform the audit to obtain reasonable assurance about whether the Entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the "Uniform Guidance Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the Entity's major programs. The purpose of these procedures will be to express an opinion on the Entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to Uniform Guidance. As required by Uniform Guidance, we will also perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to prevent or detect material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Uniform Guidance.

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 government's/Entity'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 when required based on our professional judgement.

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 Entity and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements and the supplementary information, if applicable, 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 Entity'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.

Reporting

We will issue a written report(s) upon completion of our audit of the Entity's financial statements and written reports required with audits performed in accordance with GAGAS (if applicable) and the Uniform Guidance (if applicable). Our reports will be addressed to management and those charged with governance" of the Entity. 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 (if applicable).

The reports on internal control and compliance (if applicable) 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 for major programs and major program compliance 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.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form (if applicable) that summarize our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

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 Entity's accounting policies and financial statements.

Other Services

We will also prepare the financial statements of Entity in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the 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, 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 and supplementary information 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 the 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 identifying government award programs and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards in accordance with the requirements of Uniform Guidance (if applicable). As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards (if applicable), and related notes. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. You are responsible for making all management decisions and assuming all management responsibilities relating to the financial statements, schedule of expenditures of federal awards and related notes, and for accepting full responsibility for such decisions.

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 Entity 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 Entity received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the Entity 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. Additionally, as required by Uniform Guidance (if applicable), it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

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 Entity 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 Entity'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 and related schedules, RSI and the schedule of expenditures of federal awards (if applicable) 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 Entity or, any elected official, member of management 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 Entity 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 Entity 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. If we are aware that a federal awarding agency or the Entity 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 Entity 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 entity resulting from the use of e-mail or other electronic transmissions, 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 or 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

The components of our fees for each of the next two years are detailed below:

	<u>2023</u>	<u>2024</u>
Basic fee including conversion of fund level financial statements to the government-wide financial statements pursuant to GASB Statement No.34.	<u>\$ 7,150</u>	<u>\$ 7,450</u>

In the event that the Entity spends \$750,000 or more in Federal Assistance, a Single Audit will be required pursuant to Uniform Guidance. Our fees for the compliance audit will be \$3,000 per program.

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.

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><u>100%</u></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 Rates*
Sr. Partner/Partner	\$300-310
Sr. Manager/Manager	\$210-240
Supervisor	\$185
Senior Accountant	\$165
Associate	\$145

*Represent a 20%-25% discount from standard rates.

Liability

Any and all claims by the Entity arising under this engagement must be commenced by the Entity 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 Entity is informed of the engagement's termination in the event our report is not delivered, for any reason.

Our firm's maximum liability to the Entity for any reason relating to the services under this letter shall be limited to three times the fees paid to the firm for the services or work product giving rise to liability, except to the extent it is finally determined that such liability resulted from the willful or intentional misconduct or fraudulent behavior of the firm. In no event shall the firm be liable to the Entity, whether a claim be in tort, contract or otherwise, for any consequential, indirect, lost profit or similar damages.

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 Entity 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 Entity 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 Entity 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.

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 Entity 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

Robert Daniele is the engagement partner and is 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 Entity; 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.

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

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Enc.

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

Larchmont-Mamaroneck Joint Garbage Disposal Commission

BY: _____

TITLE: _____

DATE: _____

PKF O'Connor Davies, LLP is a member firm 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.



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.

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.