

December 18, 2012

Mr. Glenn Newman  
President  
Tax Commission of The City of New York  
Municipal Building  
1 Centre Street  
New York, NY 10007

Via email: [GNewman@oata.nyc.gov](mailto:GNewman@oata.nyc.gov) and [gnewman@taxcomm.nyc.gov](mailto:gnewman@taxcomm.nyc.gov)

**Re: Form TC309 Accountant's Certification - Draft Independent Auditor's Report**

Dear Mr. Newman:

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 29,000 CPAs in public practice, industry, government and education, welcomes the opportunity to offer a draft independent auditor's report for purposes of Form TC309, Accountant's Certification.

The NYSSCPA's Real Estate Committee has prepared the attached proposed independent auditor's report to conform with the Clarity Auditing Standards issued by the AICPA effective for audits of entities with a fiscal year ending on or after December 15, 2012. We ask that you review and consider this proposal in your deliberations of a final draft of Form TC309.

If you would like additional discussion with us, please contact Harry Dublinsky, Chair of the Real Estate Committee at (212) 891-8781, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

  
Gail M. Kinsella  
President

Attachment

## **NYSSCPA 2012 – 2013 Board of Directors**

Gail M. Kinsella, <i>President</i>	Anthony T. Abboud William Aiken	Douglas L. Hoffman Scott Hotalen
J. Michael Kirkland, <i>President-elect</i>	Gregory J. Altman Barbara E. Bel	Eric M. Kramer Elliot A. Lesser
Scott M. Adair, <i>Secretary/Treasurer</i>	Shari E. Berk Robert W. Berliner	Pei-Cen Lin Steven M. Morse
Sherry L. DelleBovi, <i>Vice President</i>	Christopher G. Cahill Harold L. Deiters	Richard E. Piluso Robert R. Ritz
David Evangelista, <i>Vice President</i>	Domenick J. Esposito Adrian P. Fitzsimons	Michael F. Rosenblatt Arthur J. Roth
Suzanne M. Jensen, <i>Vice President</i>	Stephen E. Franciosa Jennifer R. George	Cynthia A. Scarinci John S. Shillingsford
Anthony J. Maltese, <i>Vice President</i>	Rosemarie A. Giovinazzo- Barnickel	Robert E. Sohr Yen D. Tran
Joanne S. Barry, <i>ex officio</i>	Mitchell L. Gusler Timothy Hedley	Richard T. Van Osten F. Michael Zovistoski

## **NYSSCPA 2012 - 2013 Industry Division Oversight Committee**

Anthony Cassella, <i>Chair</i>	Joshua Dubrow	Michael Patanella
Dov Braun	Harry Dublinsky	Gary Purwin
Christina Catalina	Joseph Ferrone	Susan Schoenfeld
Clare Cella	Norman Jardine	Jonathan Sicklick
Anthony Chan	Kevin Matz	Jack Vivinetto
	Carl Oliveri	

## **NYSSCPA 2012 – 2013 Real Estate Committee**

Harry Dublinsky, <i>Chair</i>	Abraham Haspel	Alicja Mynarska
Steve Bibas	Alan Hoffman	Stephen Natkowitz
Yves Blain	Arnon Hurvitz	Grace Ng
Mario Christian	Paul Jhung	Ohanes Ohannessian
David DaSilva	Steven Kahn	Girish Patel
Tara DiGeronimo	Don Kiamie	Laichun Peterson
Noelle du Toit	Scott Knight	Jeffery Rapaport
Jerry Eitel	Anthony LaMalfa	Robert Reitman
Michael Esposito	Howard Landsberg	Daniel Rosenberg
Brian Fennelly	Raysa Lebron	Michael Rosenblatt
Michael Flood	Mark Leeds	Jan Rothman
Michael Giglio	Yingho Leung	Andre Sassoon
Heather Goldstein	Seth Levin	Abe Schlisselfeld
Bruce Gomberg	Philip Marra	Norman Schulman
Charles Grossman	Craig Maurer	Ferdinand Sisto
John Guttilla	Victor Mizzaro	Stephen Surace
Howard Handwerker	Michael Morga	Franz Walter

## NYSSCPA Proposed TC309 Draft Opinion

### REPORT OF INDEPENDENT AUDITOR

#### *REPORT ON THE FORM TC201- 2013*

We / I have audited the accompanying income and expense schedule for rent producing property Form TC201-2013 (“Form TC201” or the “Schedule”), prepared pursuant to the requirements of the Tax Commission of the City of New York, of \_\_\_\_\_, the applicant, reporting the operations of the property or properties identified on that Form TC201 for the year ended December 31, 2012.

#### *Management’s Responsibility for the Form TC201*

The applicant’s management is responsible for the preparation and fair presentation of this Form TC201 in accordance with the requirements of the Tax Commission of the City of New York. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of this Form TC201 that is free from material misstatement, whether due to fraud or error.

#### *Audit Responsibility*

Our / my responsibility is to express an opinion on the Form TC201 based on our / my audit. We / I conducted our / my audit 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 FormTC201 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Form TC201. The procedures selected depend on audit judgment, including the assessment of the risks of material misstatement of the Form TC201, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the *applicant’s* management preparation and fair presentation of the Form TC201 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 applicant’s internal control. Accordingly, we / I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by the *applicant’s management*, as well as evaluating the overall presentation of the FormTC201.

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

#### *Opinion*

In our / my opinion, the Schedule for rent producing property on borough/block/lot \_\_\_/\_\_\_/\_\_\_ referred to above presents fairly, in all material respects, the information contained therein in accordance with the requirements of the Tax Commission of the City of New York on the basis of accounting described below.

**Basis of Accounting**

The Form TC201 is presented pursuant to the requirements of the Tax Commission of the City of New York and on the basis of accounting described below, and is not intended to be a complete presentation of the property's revenue and expenses. Our / my opinion is not modified with respect to this matter.

ACCRUAL BASIS. The income and expense Schedule has been prepared on the accrual basis. Under the requirements of the Tax Commission, the Form TC201 does not include interest expense, depreciation, and other items set forth below, and footnote disclosures which are necessary for a complete presentation of the results of the operations of the property in conformity with accounting principles generally accepted in the United States of America.

CASH BASIS. The income and expense Schedule has been prepared on the basis of cash receipts and disbursements; consequently, certain revenues are recognized when received rather than earned, and certain expenses are recognized when paid rather than when the obligation is incurred. In addition, under the requirements of the Tax Commission, the Form TC201 does not include interest expense, depreciation, other items set forth below, and note disclosures which are necessary for a complete presentation of the results of the operations of the property.

Because of the foregoing, the Schedule does not purport to present results of operations in conformity with accounting principles generally accepted in the United States of America.

Other income and expense items excluded from the Form TC201:

\_\_\_\_\_

Footnotes:

\_\_\_\_\_

**Restriction on Use**

Our / my audit report is intended solely for information and for use of the *applicant* and the Tax Commission of the City of New York and is not intended to be and should not be used by anyone other than these specified parties.

SIGNATURE OF CERTIFIED PUBLIC ACCOUNTANT \_\_\_\_\_

PRINT NAME OF SIGNER \_\_\_\_\_

PRINT FIRM NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_