

# AUDIT REPORT

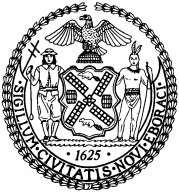


CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BUREAU OF FINANCIAL AUDIT  
**WILLIAM C. THOMPSON, JR., COMPTROLLER**

## **Audit Report on the New York Yankees Rental Credits For the Third Quarter of 2007 (July 1–September 30, 2007)**

*FR08-114A*

**June 26, 2008**



THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
1 CENTRE STREET  
NEW YORK, N.Y. 10007-2341

WILLIAM C. THOMPSON, JR.  
COMPTROLLER

**To the Citizens of the City of New York**

Ladies and Gentlemen:

Pursuant to the terms of the lease between the City of New York and the New York Yankees (Yankees), we have examined the rental credits claimed by the Yankees for the maintenance of City-owned Yankee Stadium for the third quarter of 2007 (July 1– September 30, 2007).

The Yankees are responsible for the care and upkeep of Yankee Stadium, and the costs incurred by the Yankees for maintaining the stadium are offset against any rental income due the City from the Yankees. Thus, every approved dollar spent and accounted for as a rental credit for the maintenance of the stadium results in a dollar-for-dollar decrease in the rent due the City. These audits provide a means of ensuring that the Yankees take credit against rent only for eligible expenses.

The results of our audit, which are presented in this report, have been discussed with officials from the New York Yankees and the Department of Parks and Recreation, and their comments have been considered in preparing this report. The Yankees' complete written response is attached to this report.

I trust that this report contains information that is of interest to you. If you have any questions concerning this report, please e-mail my audit bureau at [audit@Comptroller.nyc.gov](mailto:audit@Comptroller.nyc.gov) or telephone my office at 212-669-3747.

Very truly yours,

A handwritten signature in cursive script that reads 'William C. Thompson, Jr.'.

William C. Thompson, Jr.

WCT/fh

**Report: FR08-114A**  
**Filed: June 26, 2008**

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*The City of New York*  
*Office of the Comptroller*  
*Bureau of Financial Audit*

**Audit Report on the  
New York Yankees Rental Credits  
For the Third Quarter of 2007  
(July 1–September 30, 2007)**

**FR08-114A**

**AUDIT REPORT IN BRIEF**

According to a 1972 lease agreement between the New York Yankees (the Yankees) and the City of New York (the City) that is overseen by the Department of Parks and Recreation (Parks), the Yankees are responsible for the care and upkeep of the City-owned Yankee stadium, and must pay the City rental income. However, the lease also allows the Yankees to offset against any rental income due the City, costs incurred by the Yankees for maintaining the stadium. Thus, every dollar spent and accounted for as a maintenance credit results in a dollar-for-dollar decrease in the rent due the City.

Under the terms of the lease, the Yankees must notify the Comptroller's Office of all claimed maintenance credits, and provide supporting computations. The Comptroller's Office then determines whether any of the charges for which credits are claimed are permissible.

**Audit Findings and Conclusions**

The audit found that Yankee rental credits submitted for the Third Quarter of 2007 were overstated by \$73,838.45 as follows:

- \$22,119.61 in excess payroll charges and salary expenses that should have been paid by the Yankees.
- \$36,375.88 in payments to ADCO Electric consisting of material and labor costs that should not have been charged to the City.
- \$14,804.62 in Yankee Stadium repairs for which the expenses are not chargeable to the City.
- \$538.34 in expenses that lacked documentation or are not City costs under the terms of the lease and cannot be offset against rental income.

## **Audit Recommendations**

We recommend that the Yankees deduct \$73,838.45 from the total rental credits taken for maintenance pertaining to the Third Quarter of 2007, ensure that all maintenance credits claimed are properly supported by sufficient documentation, and ensure that appropriate approvals from the Department of Parks and Recreation (Parks) are obtained prior to submitting rental credits to the Comptroller's Office. In addition, we recommend that Parks ensure that the Yankees comply with the report's recommendations.

## **INTRODUCTION**

### **Background**

Under the terms of the 1972 lease agreement, the general rule is that the City pays to maintain all areas of Yankee Stadium except Yankee offices, concession space, the receiving room, the Commissary, and the restaurant space (Yankee Club, Yankee Dining Room, Pinstripe Pub, and Stadium Club). The City also pays for materials used to maintain the stadium; however, it does not pay for uniforms or tools. Since the rental credits are subject to the approval of the Comptroller's Office, the Yankees are required by the lease to submit to the Comptroller all documentation necessary for the audit of credits. After the audit, the Comptroller's Office presents its findings to the Yankees in a preliminary draft report and at an exit conference before issuing a draft report. Within two weeks of the issuance of the draft report, the Yankees may submit to the Comptroller's Office additional documentation that was previously omitted to support rental credits claimed. Once this documentation is received and reviewed, the Comptroller's Office issues a final report.

### **Objectives**

Our audit objectives were to determine whether the Yankees:

- adequately documented and supported the submitted labor and materials charges;
- submitted invoices for rental credits that were eligible for reimbursement and were in accordance with the lease agreement; and
- accurately calculated all credits and did not deduct non-City charges from the rent due for the Third-quarter period, July 1–September 30, 2007.

### **Scope and Methodology**

The audit scope covered the period July 1–September 30, 2007. We examined 100 percent of the \$768,245.25 in labor and materials charges and supporting documentation submitted by the Yankees.

To determine whether the billings for labor and materials were appropriate, reasonable, and allowable under the lease, we reviewed all source documents for adequate documentation for each month of the quarter pertaining to the billings of River Payroll (Cleaning Services), ADCO

Electric, Miranda Fuel, Brown & Silver, Stadium Repairs, and Other Expenses. The documents included invoices, canceled checks, time sheets, payroll reports, and activity reports to support the costs of labor and materials charged to the City. We also determined whether retroactive salary adjustments were accurate by tracing these adjustments to the respective supporting documentation or relevant settlement agreements. An October 29, 1993 settlement agreement designated the Yankees as agents of the City; therefore, we reviewed whether charges for materials correctly excluded sales tax. Finally, we determined whether the Yankees provided pre-authorization and acceptance reports from Parks for the work or services performed to receive maintenance credit toward rent.

We documented all unwarranted and unreasonable charges for rental credits on a spreadsheet with our comments and have included them as Appendices I through V of this report. We calculated all dollar amounts on the supporting schedules for accuracy, and reconciled these amounts with the total amounts on the lead schedule for all vendors in Appendix I, Schedules A-1 through A-6.

These audits are lease-mandated and therefore require that the Yankees submit all source documents to the Comptroller's Office to receive credits toward rental income due the City. Accordingly, without the submission of all necessary supporting documentation, maintenance costs submitted as credits against rental income are disallowed.

We did not evaluate Yankee internal controls over the process and procedures for payment of the invoices submitted to support maintenance credits. However, all documents were examined to ascertain whether they contained valid certification from Parks designees at Yankee Stadium as proof that labor costs were incurred and that material was purchased and received.

This audit was conducted in accordance with generally accepted government auditing standards (GAGAS) and included all tests considered necessary. The audit was performed in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

### **Discussion of Audit Results**

The matters covered in this report were discussed with Yankee and Parks officials during and at the conclusion of this audit. A preliminary draft report was sent to Yankee and Parks officials on May 7, 2008. On May 9, 2008 Yankee officials waived their right to an exit conference. On May 15, 2008 we submitted a draft report to Yankees and Parks officials with a request for comments. Their comment will be included in the final version of this report. We received a response from Yankee officials on May 30, 2008.

In the draft report, we disallowed \$87,359.07. However, after our review of the documentation provided by the Yankees and by Parks subsequent to the issuance of the draft report, we allowed additional credits of \$13,520.62, resulting in a final disallowance of \$73,838.45, which the Yankees accepted as Yankee costs.

This final report reflects our changes based on additional documentation submitted by the Yankees and by Parks. The Yankees response is included as an addendum to this final report.

## FINDINGS

### Overstatement of Rental Credits

Rental credits audited under the schedules submitted for the Third Quarter of 2007 were overstated by \$73,838.45 as summarized on Table I, below:

**Table I**  
**Disallowance Schedule\***

Schedule	Billed	Allowed	Disallowed
A-1 (River Payroll)	\$ 392,773.44	\$370,653.83	\$ 22,119.61
A-2 (ADCO Electric)	236,909.59	200,533.71	36,375.88
A-3 (Miranda Fuel)	12,430.38	12,430.38	0.00
A-4 (Brown & Silver)	0.00	0.00	0.00
A-5 (Stadium Repairs)	96,481.01	81,676.39	14,804.62
A-6 (Other Expenses)	29,650.83	29,112.49	538.34
<b>Total</b>	<b>\$768,245.25</b>	<b>\$694,406.80</b>	<b>\$73,838.45</b>

\* All calculations are rounded to two decimal points

Summaries of the maintenance credit billings as submitted by the Yankees and of our disallowances for each vendor are presented in Appendix I, Schedules A-1 through A-6.

The River Payroll disallowance totaling \$22,119.61 consists of the following:

- \$4,007.80—for security costs from June 3, 2007 through August 11, 2007 that were Yankee, not City costs. These costs for game days were chargeable to the Yankees in accordance with the lease and should not have been charged as credits against rental income. The Yankees accepted \$4,007.80 as a Yankee cost.
- \$5,757.43—for the cost of “lunch-not-taken.” Section 162 of New York State Labor Law states that “every person in any establishment or occupation covered by the Labor Law must be afforded a meal period of at least thirty minutes.” In addition, Article VI of the Agreement between Local 32B-32J S.E.I.U., AFL-CIO, and River Payroll, states, in part: “Hours of work each day shall be exclusive of a daily lunch period of not more than one (1) hour.” Moreover, a Parks letter dated June 9, 1997, informed the Yankees that effective January 1, 1996, Parks would not accept “lunch-not-taken” labor cost credits that were not approved in advance. The Yankees, however, provided no documentation that such approvals were obtained. The Yankees accepted \$5,757.43 as a Yankee cost.

- \$5,604.31—for hours worked on Yankee assignments listed on the time records as “Parking Lot,” “Field” and “Inhouse.” Such expenses, under the terms of the lease, are not chargeable to the City. The Yankees accepted \$5,604.31 as a Yankee cost.
- \$4,592—for incorrect hourly rates paid to eight engineers and mechanics. These employees were paid at a rate higher than is allowable under the Local 30, AFL-CIO, CLC agreement. The Yankees accepted \$4,592 as a Yankee cost.
- \$1,451.28—for contributions to various funds related to River Payroll disallowances.<sup>1</sup> The Yankees accepted \$1,451.28 as a Yankee cost.
- \$223.74—for two employees who did not sign in or out on their timesheets to validate the hours of work charged to the City. The Yankees accepted \$223.74 as a Yankee cost.
- \$230.22—for unreasonable third shift. The Yankees accepted \$230.22 as a Yankee cost.
- \$171.52—for overtime hours that were altered on the employee’s timesheets. The Yankees accepted \$171.52 as a Yankee cost.
- \$50—for ineligible bonus payments made to one employee. The Yankees accepted \$50 as a Yankee cost.
- \$31.31—for labor hours not worked that under the terms of the lease should not have been offset against rental income. The Yankees accepted \$31.31 as a Yankee cost.

Appendix II gives further details of the above disallowances.

The ADCO Electric disallowed costs totaling \$36,375.88 consist of \$36,344.62 in labor costs and \$31.26 in materials charges.

The disallowed labor costs totaling \$36,344.62 consist of the following:

- \$32,828.44— for hours worked on Yankee assignments such as “Gameday Sweep” and “Gameday Scoreboard Maintenance.” According to the lease agreement, maintenance on scoreboards during game-days is a Yankee cost. The Yankees accepted \$32,828.44 as a Yankee cost.

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<sup>1</sup> Includes Welfare, Pension, and Annuity Funds.



- \$2,049.18—for costs related to Club House repairs that are chargeable to the Yankees in accordance with the lease agreement. The Yankees accepted \$2,049.18 as a Yankee cost.
- \$1,026.90—for an employee who did not sign in or out on his timesheets to validate the hours of work charged to the City. The Yankees accepted \$1,026.90 as a Yankee cost.
- \$293.40—for labor hours not worked that under the terms of the lease should not have been offset against rental income. The Yankees accepted \$293.40 as a Yankee cost.
- \$146.70—for the cost of “lunch-not-taken.” As stated above, Section 162 of New York State Labor Law states that “every person in any establishment or occupation covered by the Labor Law must be afforded a meal period of at least thirty minutes.” In addition, Article VI of the Agreement between Local 32B–32J S.E.I.U., AFL-CIO, and River Payroll, states, in part: “Hours of work each day shall be exclusive of a daily lunch period of not more than one (1) hour.” Moreover, a Parks letter dated June 9, 1997, informed the Yankees that effective January 1, 1996, Parks would not accept “lunch-not-taken” labor cost credits that were not approved in advance. The Yankees, however, provided no documentation that such approvals were obtained. The Yankees accepted \$146.70 as a Yankee cost.

Appendix III gives further details of the above disallowances for ADCO Electric labor hours.

The disallowed material costs totaling \$31.26 consist of purchases for items such as vinyl tapes and industrial batteries and for the contract adder for amount disallowed.<sup>2</sup> These charges are not City costs and should not be offset against rental income. The Yankees accepted \$31.26 as a Yankee cost.

Appendix IV gives details of the above disallowances for ADCO Materials.

The “Stadium Repairs” disallowances totaling \$14,804.62 are as follows:

- \$5,392.50—for services that were covered under the monthly maintenance agreement between the Yankees and *Bug Doctor Termite and Pest Control*. The Yankees accepted \$5,392.50 as a Yankee cost.

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<sup>2</sup> The ADCO Electrical and Maintenance Agreement with the Yankees, § 2(e), entitles ADCO Electric to include a 4.5 percent overhead charge (contract adder) for materials purchased for the maintenance of the stadium.

- \$6,765.97—for charges to repair vandalized elevators paid to Infinity Elevator Company, Inc. that should not have been included in the maintenance credits submitted by the Yankees. The Yankees accepted \$6,765.97 as a Yankee cost.
- \$1,533.58—for charges that exceeded the contractual rates listed in the Yankees’ contract with *Infinity Elevator Company*. The Yankees accepted \$1,533.58 as a Yankee cost.
- \$707.87—for purchase of items used in the Yankee areas such as the “Luxury Suites.” Such costs, based on the terms of the lease agreement, are not eligible for maintenance credits and should not have been included in the maintenance credits submitted by the Yankees. The Yankees accepted \$707.87 as a Yankee cost.
- \$404.70—for tools purchased that, according to the lease, are not a City cost. The Yankees accepted \$404.70 as a Yankee cost.

Finally, the “Other Expenses” disallowances of \$538.34 are as follows:

- \$296.48—for charges that exceeded the contractual rates listed in the Yankees’ contract with *White Way Sign Company*. The Yankees accepted \$296.48 as a Yankee cost.
- \$241.86—for purchase of power drain snake, blades, cable cutter set and Yankee logo holders that, under the terms of the lease agreement, are not City costs. The Yankees accepted \$241.86 as a Yankee cost.

Appendix V includes the details for the above-stated disallowances pertaining to Stadium Repairs and Other Expenses.

## RECOMMENDATIONS

We recommend that the Yankees:

1. Deduct \$73,838.45 from the total rental credits for maintenance pertaining to the Third Quarter of 2007.
2. Ensure that all maintenance credits claimed are properly supported by sufficient documentation and that appropriate approvals from Parks are obtained prior to submitting rental credits to the Comptroller’s Office.

We recommend that Parks:

3. Ensure that the Yankees comply with the report’s recommendations.

**NEW YORK YANKEES RENTAL CREDITS  
SUMMARY SCHEDULE FOR VENDORS A-1 THROUGH A-6  
AUDIT PERIOD: 7/1/07 - 9/30/07  
AUDIT # FR08-114A**

				ADJUSTMENTS				
NY Y Schedule	Amount Billed	Previous Allowance (N 1)	Previous Disallow. (N 1)	Amount Accepted by NY Y (N 2)	Amount Resubmitted by NY Y	Add'l Amt Accepted by City	Final Allowance (N 2)	Final Disallowance (N 2)
A-1 River Payroll								
<b>Total</b>	<b>\$392,773.44</b>	<b>\$370,653.83</b>	<b>\$22,119.61</b>	<b>\$22,119.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$370,653.83</b>	<b>\$22,119.61</b>
A-2 ADCO Electric								
<b>Total</b>	<b>\$236,909.59</b>	<b>\$198,726.99</b>	<b>\$39,182.60</b>	<b>\$36,375.88</b>	<b>\$2,806.72</b>	<b>\$2,806.72</b>	<b>\$200,533.71</b>	<b>\$36,375.88</b>
A-3 Miranda Fuel								
<b>Total</b>	<b>\$12,430.38</b>	<b>\$12,430.38</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$12,430.38</b>	<b>\$0.00</b>
A-4 Brown & Silver								
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
A-5 Stadium Repairs								
<b>Total</b>	<b>\$96,481.01</b>	<b>\$71,639.89</b>	<b>\$24,841.12</b>	<b>\$14,804.62</b>	<b>\$10,036.50</b>	<b>\$10,036.50</b>	<b>\$81,676.39</b>	<b>\$14,804.62</b>
A-6 Other Expenses								
<b>Total</b>	<b>\$29,650.83</b>	<b>\$28,435.09</b>	<b>\$1,215.74</b>	<b>\$538.34</b>	<b>\$677.40</b>	<b>\$677.40</b>	<b>\$29,112.49</b>	<b>\$538.34</b>
<b>Total All</b>	<b>\$768,245.25</b>	<b>\$681,886.18</b>	<b>\$87,359.07</b>	<b>\$73,838.45</b>	<b>\$13,520.62</b>	<b>\$13,520.62</b>	<b>\$694,406.80</b>	<b>\$73,838.45</b>

(1) At Draft Stage  
(2) At Final Stage

**SCHEDULE OF INELIGIBLE LABOR CHARGES**  
**AUDIT PERIOD: 7/1/07 - 9/30/07**  
**AUDIT # FR08-114A**

**RIVER PAYROLL LABOR HOURS**

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted by NYY	Amount Resubmitted by NYY	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
1. Summit Security Excess Charges	\$4,007.80	\$4,007.80	\$0.00	\$0.00	\$4,007.80	\$0.00
2. Lunch Not Taken	\$5,757.43	\$5,757.43	\$0.00	\$0.00	\$5,757.43	\$0.00
3. NYY Assignments	\$5,604.31	\$5,604.31	\$0.00	\$0.00	\$5,604.31	\$0.00
4. Incorrect Hourly Rates	\$4,592.00	\$4,592.00	\$0.00	\$0.00	\$4,592.00	\$0.00
5. Welfare Contributions Adjustment	\$1,451.28	\$1,451.28	\$0.00	\$0.00	\$1,451.28	\$0.00
6. Incomplete Timesheets	\$223.74	\$223.74	\$0.00	\$0.00	\$223.74	\$0.00
7. Unreasonable 3rd Shift	\$230.22	\$230.22	\$0.00	\$0.00	\$230.22	\$0.00
8. Altered Timesheets on Overtime	\$171.52	\$171.52	\$0.00	\$0.00	\$171.52	\$0.00
9. Ineligible Bonus Payment	\$50.00	\$50.00	\$0.00	\$0.00	\$50.00	\$0.00
10. Hours Not Worked	\$31.31	\$31.31	\$0.00	\$0.00	\$31.31	\$0.00
<b>TOTAL</b>	<b>\$22,119.61</b>	<b>\$22,119.61</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$22,119.61</b>	<b>\$0.00</b>

**SCHEDULE OF INELIGIBLE CHARGES**  
**AUDIT PERIOD: 7/1/07 - 9/30/07**  
**AUDIT # FR08-114A**

**ADCO ELECTRICAL - LABOR**

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted by NYY	Amount Resubmitted by NYY	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
1. Gameday Sweeps and Scoreboard Maintenance	\$32,828.44	\$32,828.44	\$0.00	\$0.00	\$32,828.44	\$0.00
2. Documentation Missing [work assign. sheet for w/e 6/27/07]	\$2,806.72	\$0.00	\$2,806.72	\$2,806.72	\$0.00	\$0.00
3. Club House Repairs Costs	\$2,049.18	\$2,049.18	\$0.00	\$0.00	\$2,049.18	\$0.00
4. Incomplete Timesheets [no sign-out]	\$1,026.90	\$1,026.90	\$0.00	\$0.00	\$1,026.90	\$0.00
5. Hours Not Worked	\$293.40	\$293.40	\$0.00	\$0.00	\$293.40	\$0.00
6. Lunch Not Taken	\$146.70	\$146.70	\$0.00	\$0.00	\$146.70	\$0.00
<b>TOTAL</b>	<b>\$39,151.34</b>	<b>\$36,344.62</b>	<b>\$2,806.72</b>	<b>\$2,806.72</b>	<b>\$36,344.62</b>	<b>\$0.00</b>

**SCHEDULE OF INELIGIBLE CHARGES**  
**AUDIT PERIOD: 7/1/07 - 9/30/07**  
**AUDIT # FR08-114A**

**ADCO ELECTRICAL - MATERIALS**

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted by NYN	Amount Resubmitted by NYN	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
1. Not A City Cost [vinyl tapes and industrial batteries]	\$29.91	\$29.91	\$0.00	\$0.00	\$29.91	\$0.00
2. Contract Adder (4.5%)	\$1.35	\$1.35	\$0.00	\$0.00	\$1.35	\$0.00
<b>TOTAL</b>	<b>\$31.26</b>	<b>\$31.26</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$31.26</b>	<b>\$0.00</b>

**SUMMARY OF LABOR AND MATERIALS**

	Amount Disallowed Per Draft Report	Amount Accepted by NYN	Amount Resubmitted by NYN	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
LABOR (Appendix III)	\$39,151.34	\$36,344.62	\$2,806.72	\$2,806.72	\$36,344.62	\$0.00
MATERIALS (Appendix IV)	\$31.26	\$31.26	\$0.00	\$0.00	\$31.26	\$0.00
<b>TOTAL</b>	<b>\$39,182.60</b>	<b>\$36,375.88</b>	<b>\$2,806.72</b>	<b>\$2,806.72</b>	<b>\$36,375.88</b>	<b>\$0.00</b>

**SCHEDULE OF DISALLOWANCES  
FOR VENDORS A-3 THROUGH A-6  
AUDIT PERIOD: 7/1/07 - 9/30/07  
AUDIT # FR08-114A**

Description of Disallowance	Amount Disallowed Per Draft Report	Amount Accepted By NYY	Amount Resubmitted by NYY	Add'l Amt. Accepted by City	Final Disallowance	Amount Outstanding
<b>A-3 MIRANDA FUEL</b>						
NO DISALLOWANCES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>A-4 BROWN &amp; SILVER</b>						
NO DISALLOWANCES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>A-5 STADIUM REPAIRS</b>						
1. Covered Under Maintenance Agreement [Bug Doctor]	\$10,785.00	\$5,392.50	\$5,392.50	\$5,392.50	\$5,392.50	\$0.00
2. Charges to Vandalized Elevators	\$6,765.97	\$6,765.97	\$0.00	\$0.00	\$6,765.97	\$0.00
3. Missing Documentation [provided at Final Stage]	\$3,644.00	\$0.00	\$3,644.00	\$3,644.00	\$0.00	\$0.00
4. NYY Areas - Luxury Suites	\$1,707.87	\$707.87	\$1,000.00	\$1,000.00	\$707.87	\$0.00
5. Exceeded Contract Rates - Infinity Elevator Co.	\$1,533.58	\$1,533.58	\$0.00	\$0.00	\$1,533.58	\$0.00
6. Not A City Cost - Tools	\$404.70	\$404.70	\$0.00	\$0.00	\$404.70	\$0.00
<b>Total</b>	<b>\$24,841.12</b>	<b>\$14,804.62</b>	<b>\$10,036.50</b>	<b>\$10,036.50</b>	<b>\$14,804.62</b>	<b>\$0.00</b>
<b>A-6 OTHER EXPENSES</b>						
1. Missing Documentation [provided at Final Stage]	\$677.40	\$0.00	\$677.40	\$677.40	\$0.00	\$0.00
2. Exceeded Contract Rate - White Way Sign Co.	\$296.48	\$296.48	\$0.00	\$0.00	\$296.48	\$0.00
3. Not A City Cost - power drain snake, blades, cable cutter set and Yankee logo holders	\$241.86	\$241.86	\$0.00	\$0.00	\$241.86	\$0.00
<b>Total</b>	<b>\$1,215.74</b>	<b>\$538.34</b>	<b>\$677.40</b>	<b>\$677.40</b>	<b>\$538.34</b>	<b>\$0.00</b>

# *New York Yankees*

ROBERT B. BROWN  
VICE PRESIDENT, CFO/ACCOUNTING



EXECUTIVE OFFICE  
YANKEE STADIUM  
BRONX, NEW YORK 10421  
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May 30, 2008  
Ms. Faige Hornung  
Director of Financial Audit & Support Services  
1 Centre Street  
Room 1300 North  
New York, NY 10007

RE: Audit Report FR08-114A on the New York Yankees Rental Credits- 3rd Quarter 2007

Dear Ms. Hornung:

In response to the draft report, the New York Yankees are accepting \$73,838.45 and rejecting \$13,520.62.

Should you have any questions, please feel free to contact me.

Sincerely,

Robert Brown

RBvb

Cc:

Yasmin Tejani



**New York Yankees Rental Credits  
Summary of Disallowances for Schedules A-1 to A-6  
For the 3rd Quarter of 2007  
Audit # FR08-114A**

	Yankees Accept	Yankees Reject	Total Disallowance
A-1 River Payroll	\$22,119.61	\$0.00	\$22,119.61
A-2 ADCO Electrical	\$36,375.88	\$2,806.72	\$39,182.60
A-3 Miranda Fuel	\$0.00	\$0.00	\$0.00
A-4 Brown & Silver	\$0.00	\$0.00	\$0.00
A-5 Stadium Repairs	\$14,804.62	\$10,036.50	\$24,841.12
A-6 Other Expenses	\$538.34	\$677.40	\$1,215.74
<b>TOTAL</b>	<b>\$73,838.45</b>	<b>\$13,520.62</b>	<b>\$87,359.07</b>

**A-1 RIVER PAYROLL**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Summit Security Charges	\$4,007.80	\$0.00	\$4,007.80
2. Lunch Not Taken	\$5,757.43	\$0.00	\$5,757.43
3. NYY Assignments	\$5,604.31	\$0.00	\$5,604.31
4. Incorrect Hourly Rates	\$4,592.00	\$0.00	\$4,592.00
5. Adjustment to Welfare Contributions	\$1,451.28	\$0.00	\$1,451.28
6. Incomplete Timesheets	\$223.74	\$0.00	\$223.74
7. Unreasonable 3rd Shift	\$230.22	\$0.00	\$230.22
8. Altered Timesheets on Overtime Hours	\$171.52	\$0.00	\$171.52
9. Ineligible Bonus Payment	\$50.00	\$0.00	\$50.00
10. Hours Not Worked	\$31.31	\$0.00	\$31.31
<b>TOTAL</b>	<b>\$22,119.61</b>	<b>\$0.00</b>	<b>\$22,119.61</b>

**A-2 ADCO ELECTRICAL - LABOR**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Gameday Sweeps and Scoreboard Maint	\$32,828.44	\$0.00	\$32,828.44
2. Documentation Missing [work assignment sheet for w/e 6/27/07]	\$0.00	\$2,806.72	\$2,806.72
3. Costs related to Club House Repairs	\$2,049.18	\$0.00	\$2,049.18
4. Incomplete Timesheets	\$1,026.90	\$0.00	\$1,026.90
5. Hours Not Worked	\$293.40	\$0.00	\$293.40
6. Lunch Not Taken	\$146.70	\$0.00	\$146.70
<b>TOTAL</b>	<b>\$36,344.62</b>	<b>\$2,806.72</b>	<b>\$39,151.34</b>

**A-2 ADCO ELECTRICAL - MATERIALS**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Not A City Cost [vinyl tapes and industrial batteries]	\$29.91	\$0.00	\$29.91
2. Contract Adder (4.5%)	\$1.35	\$0.00	\$1.35
<b>TOTAL</b>	<b>\$31.26</b>	<b>\$0.00</b>	<b>\$31.26</b>

**A-3 MIRANDA FUEL**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
<b>NO DISALLOWANCE</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**A-4 BROWN & SILVER**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
<b>NO DISALLOWANCE</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>

**A-5 STADIUM REPAIRS**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Covered Under Maintenance Agreement - Bug Doctor	\$5,392.50	\$5,392.50	\$10,785.00
2. Charges to Repair Vandalized Elevators	\$6,765.97	\$0.00	\$6,765.97
3. Missing Documentation	\$0.00	\$3,644.00	\$3,644.00
4. NYY Areas - Luxury Suites	\$707.87	\$1,000.00	\$1,707.87
5. Exceeded Contract Rates - White Way Sign Co.	\$1,533.58	\$0.00	\$1,533.58
6. Not A City Cost - Tools	\$404.70	\$0.00	\$404.70
<b>TOTAL</b>	<b>\$14,804.62</b>	<b>\$10,036.50</b>	<b>\$24,841.12</b>

**A-6 OTHER EXPENSES**

<b>Description of Disallowance</b>	<b>Amount Accepted</b>	<b>Amount Rejected</b>	<b>Total Amount</b>
1. Missing Documentation	\$0.00	\$677.40	\$677.40
2. Exceeded Contract Rates - White Way Sign Co.	\$296.48	\$0.00	\$296.48
3. Not A City Cost [power drain snake, blades, cable cutter set and Yankee logo holder]	\$241.86	\$0.00	\$241.86
<b>TOTAL</b>	<b>\$538.34</b>	<b>\$677.40</b>	<b>\$1,215.74</b>