

# 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 Fourth Quarter of 2005 (October 1–December 30, 2005)**

*FN06-135A*

**December 6, 2006**



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 fourth quarter of 2005 (October 1 – December 30, 2005).

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 black ink, appearing to read "W.C. Thompson, Jr.", written in a cursive style.

William C. Thompson, Jr.

WCT/fh

Report: FN06-135A  
Filed: December 6, 2006

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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 Fourth Quarter of 2005  
(October 1–December 31, 2005)**

**FN06-135A**

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**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 fourth quarter of 2005 were overstated by \$107,891.66 as follows:

- \$39,843.94 in excess payroll charges and salary expenses that should have been paid by the Yankees.
- \$60,976.72 in payments to ADCO Electric, consisting of labor costs that should not have been charged to the City based on the terms of the agreement.
- \$4,399.69 in Yankee Stadium repairs for which the expenses are not chargeable to the City or lacked documentation.

- \$2,671.31 in expenses that 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 \$107,891.66 from the total rental credits taken for maintenance pertaining to the fourth quarter of 2005, 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**

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.

The general rule is that the City pays to maintain all areas of the 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 fourth-quarter period, October 1–December 31, 2005.

### **Scope and Methodology**

The audit scope covered the period October 1–December 31, 2005. We examined 100 percent of the \$1,034,612.43 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 IV 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.

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 September 20, 2006. On September 26, 2006, Yankee officials waived their right to an exit conference. On October 11, 2006 we submitted a draft report to Yankees and Parks officials with a request for comments. We received a response from Yankee officials on October 23, 2006.

In the draft report, we disallowed rental credits totaling \$152,974.52. 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 \$45,082.86, resulting in a final disallowance of \$107,891.66, 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 fourth quarter of 2005 were overstated by \$107,891.66 as summarized on Table I, below:

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

<b>Schedule</b>	<b>Billed</b>	<b>Allowed</b>	<b>Disallowed</b>
A-1 (River Payroll)	\$ 417,169.43	\$377,325.49	\$ 39,843.94
A-2 (ADCO Electric)	405,040.27	344,063.55	60,976.72
A-3 (Miranda Fuel)	92,178.71	92,178.71	0.00
A-4 (Brown & Silver)	0.00	0.00	0.00
A-5 (Stadium Repairs)	67,794.33	63,394.64	4,399.69
A-6 (Other Expenses)	52,429.69	49,758.38	2,671.31
<b>Total</b>	<b>\$1,034,612.43</b>	<b>\$926,720.77</b>	<b>\$107,891.66</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 \$39,843.94 consists of the following:

- \$19,008.92—for security costs from July 24, 2005 through July 30, 2005 and September 11, 2005 through December 24, 2005 that were Yankee, not City costs. These costs included: \$1,901.79 for game days that were chargeable to the Yankees in accordance with the lease and \$17,107.13 in expenses for Mobile Patrol that were approved by Parks as a “one-time” credit deduction for the Republican National Convention in August 2004 and should not have been charged as credits against rental income on an on-going basis. The Yankees accepted \$19,008.92 as a Yankee cost.
- \$9,052.89—for retroactive rate adjustments paid to ten employees under Local 30 for the period March 15, 2004, through October 30, 2005. These costs included: \$7,425.04 for charges that exceeded the retroactive rate adjustments due based on actual hours recorded on the Yankee payroll registers for this period; and \$1,627.85 in expenses for hours previously disallowed as Yankee costs. The Yankees accepted \$9,052.89 as a Yankee cost.



- \$4,332.26—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 \$4,332.26 as a Yankee cost.
- \$3,262.99—for nineteen employees who either did not sign in or sign out on their timesheets or did not initial their timesheets at the end of their work shifts. The Yankees accepted \$3,262.99 as a Yankee cost.
- \$1,974.46—for contributions to various funds related to River Payroll disallowances.<sup>1</sup> The Yankees accepted \$1,974.46 as a Yankee cost.
- \$1,197.01—for incorrect hourly rates paid to one “utilityman,” and eight engineers and mechanics. Based on their work schedules and Yankee payroll codes, these employees were paid at a higher rate than is allowable under the Local 32B–32J S.E.I.U. and the Local 30, AFL-CIO, CLC agreements. The Yankees accepted \$1,197.01 as a Yankee cost.
- \$316.01—for labor hours not worked that under the terms of the lease should not have been offset against rental income. The Yankees accepted \$316.01 as a Yankee cost.
- \$230.28—for hours worked on Yankee assignments listed on the time records as “Parking Lot.” Such expenses, under the terms of the lease, are not chargeable to the City. The Yankees accepted \$230.28 as a Yankee cost.
- \$148.72—for wages paid to two employees whose timesheets appeared to be altered. The changes on the timesheets were not initialed or approved. The Yankees accepted \$148.72 as a Yankee cost.
- \$120.64—for a questionable adjustment from straight-time rate to overtime rate that, based on the documentation provided by the Yankees, could not be verified. The Yankees accepted \$120.64 as a Yankee cost.
- \$119.76—for an incorrect rate paid to one employee who was paid the double-time rate instead of the time-and-a-half rate. Based on his work schedule, the employee

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

was paid at a higher rate than is allowable under the Local 30 agreement. The Yankees accepted \$119.76 as a Yankee cost.

- \$60—for bonus payments made to four employees who were not eligible for it. The Yankees accepted \$60 as a Yankee cost.
- \$20—for incorrect bonus payments made to two employees who were paid at a rate higher than is allowable under the Local 30, AFL-CIO agreement. The Yankees accepted \$20 as a Yankee cost.

Appendix II gives further details of the above disallowances.

The ADCO Electric disallowance of \$60,976.72 in labor costs consists of the following:

- \$57,708.20—for hours worked on assignments in Yankee areas that included the Carpenter Shop, Columbus Room, Mechanical Offices, Wives Lounge, Burns Security locker rooms, and Press Room, or that were Yankee charges for scoreboard and sweep maintenance on game days. Such costs, based on the terms of the lease, should not have been included in the maintenance credits submitted by the Yankees. The Yankees accepted \$57,708.20 as a Yankee cost.
- \$2,208.74—for hours not worked that under the terms of the lease should not have been offset against rental income. The Yankees accepted \$2,208.74 as a Yankee cost.
- \$539.76—for unreasonable third shift charges paid to two employees. The Yankees accepted \$539.76 as a Yankee cost.
- \$520.02—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.” 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 \$520.02 as a Yankee cost.

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

The “Stadium Repairs” disallowances totaling \$4,399.69 are as follows:

- \$2,461—for charges that exceeded the contractual rates listed in Yankees’ contract with Infinity Elevator, Inc. The Yankees accepted \$2,461 as a Yankee cost.
- \$1,024.89—for miscellaneous items such as antifreeze, battery mag flashlight, screwdriver, double end bits, respirator cartridges, batteries, wet vacuum, hose, silicone respirators, cartridge, and wrist blade handles. These expenses, under the

terms of the lease agreement, are not City costs and cannot be offset as maintenance credits against income. The Yankees accepted \$1,024.89 as a Yankee cost.

- \$613.80—for items purchased that based on the documentation provided could not be determined as a City cost. The Yankees accepted \$613.80 as a Yankee cost.
- \$300—for charges that exceeded the invoice amount. The Yankees accepted \$300 as a Yankee cost.

Finally, the “Other Expenses” disallowances of \$2,671.31 are as follows:

- \$1,420.25—for materials used in Yankee areas that included the Stadium Luxury Box seats and ceiling tiles. Such costs, based on the terms of the lease, should not have been included in the maintenance credits submitted by the Yankees. The Yankees accepted \$1,420.25 as a Yankee cost.
- \$680.64—for the purchase of such items as US Nylon flags, boiler drain, solder, flux, plumbers cloth, faucet supply, metering faucet, Teflon tape, Pro Dope, and Orange Gojo with pumice. These expenses, under the terms of the lease agreement, are not City costs and should not be offset as maintenance credits against rental income. The Yankees accepted \$680.64 as a Yankee cost.
- \$420.42—for charges that exceeded the contractual rates listed in Yankees’ contract with White Way Sign, Inc. The Yankees accepted \$420.42 as a Yankee cost.
- \$150—for the purchase of tools that, under the terms of the lease agreement, are not City costs. The Yankees accepted \$150 as a Yankee cost.

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

## **RECOMMENDATIONS**

We recommend that the Yankees:

1. Deduct \$107,891.66 from the total rental credits for maintenance pertaining to the fourth quarter of 2005.
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: 10/1/05 - 12/31/05  
AUDIT # FN06-135A**

				ADJUSTMENTS				
NY Y Schedule	Amount Billed	Previous Allowance (1)	Previous Disallow. (1)	Amount Accepted by NY Y (2)	Amount Resubmit- ted by NY Y	Add'l Amt Accepted by City	Final Allowance (2)	Final Disallow- ance (2)
<b>A-1 River Payroll</b>								
<b>Total</b>	<b>\$417,169.43</b>	<b>\$352,883.58</b>	<b>\$64,285.85</b>	<b>\$39,843.94</b>	<b>\$24,441.91</b>	<b>\$24,441.91</b>	<b>\$377,325.49</b>	<b>\$39,843.94</b>
<b>A-2 ADCO Electric</b>								
<b>Total</b>	<b>\$405,040.27</b>	<b>\$323,422.61</b>	<b>\$81,617.67</b>	<b>\$60,976.72</b>	<b>\$20,640.95</b>	<b>\$20,640.95</b>	<b>\$344,063.55</b>	<b>\$60,976.72</b>
<b>A-3 Miranda Fuel</b>								
<b>Total</b>	<b>\$92,178.71</b>	<b>\$92,178.71</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$92,178.71</b>	<b>\$0.00</b>
<b>A-4 Brown &amp; Silver</b>								
<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>
<b>A-5 Stadium Repairs</b>								
<b>Total</b>	<b>\$67,794.33</b>	<b>\$63,394.64</b>	<b>\$4,399.69</b>	<b>\$4,399.69</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$63,394.64</b>	<b>\$4,399.69</b>
<b>A-6 Other Expenses</b>								
<b>Total</b>	<b>\$52,429.69</b>	<b>\$49,758.38</b>	<b>\$2,671.31</b>	<b>\$2,671.31</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$49,758.38</b>	<b>\$2,671.31</b>
<b>GRAND TOTAL</b>	<b>\$1,034,612.43</b>	<b>\$881,637.91</b>	<b>\$152,974.52</b>	<b>\$107,891.66</b>	<b>\$45,082.86</b>	<b>\$45,082.86</b>	<b>\$926,720.77</b>	<b>\$107,891.66</b>

(1) At Draft Stage

(2) At Final Stage

**SCHEDULE OF INELIGIBLE LABOR HOURS  
FOR THE 4th QUARTER OF 2005  
AUDIT PERIOD: 10/1/05 - 12/31/05  
AUDIT # FN06-135A**

**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. Retroactive Rate Adjustments	\$33,494.80	\$9,052.89	\$24,441.91	\$24,441.91	\$9,052.89	\$0.00
2. Excess Security Costs	\$19,008.92	\$19,008.92	\$0.00	\$0.00	\$19,008.92	\$0.00
3. Lunch Not Taken	\$4,332.26	\$4,332.26	\$0.00	\$0.00	\$4,332.26	\$0.00
4. Incomplete Timesheets	\$3,262.99	\$3,262.99	\$0.00	\$0.00	\$3,262.99	\$0.00
5. Welfare Contributions Adj	\$1,974.46	\$1,974.46	\$0.00	\$0.00	\$1,974.46	\$0.00
6. Incorrect Hourly Rates	\$1,197.01	\$1,197.01	\$0.00	\$0.00	\$1,197.01	\$0.00
7. Hours Not Worked	\$316.01	\$316.01	\$0.00	\$0.00	\$316.01	\$0.00
8. NYY Assignments	\$230.28	\$230.28	\$0.00	\$0.00	\$230.28	\$0.00
9. Altered Timesheets	\$148.72	\$148.72	\$0.00	\$0.00	\$148.72	\$0.00
10. Incorrect Rate Adjustment	\$120.64	\$120.64	\$0.00	\$0.00	\$120.64	\$0.00
11. Double Time s/b 1.5X Rate	\$119.76	\$119.76	\$0.00	\$0.00	\$119.76	\$0.00
12. Ineligible Bonus Payments	\$60.00	\$60.00	\$0.00	\$0.00	\$60.00	\$0.00
13. Incorrect Bonus Payments	\$20.00	\$20.00	\$0.00	\$0.00	\$20.00	\$0.00
<b>TOTAL</b>	<b>\$64,285.85</b>	<b>\$39,843.94</b>	<b>\$24,441.91</b>	<b>\$24,441.91</b>	<b>\$39,843.94</b>	<b>\$0.00</b>

**SCHEDULE OF DISALLOWANCES  
FOR THE 4th QUARTER OF 2005  
AUDIT PERIOD: 10/1/05 - 12/31/05  
AUDIT #FN06-135A**

**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. NYY Areas and Scoreboard and Sweep Maint. During Games	\$78,349.15	\$57,708.20	\$20,640.95	\$20,640.95	\$57,708.20	\$0.00
2. Hours Not Worked	\$2,208.74	\$2,208.74	\$0.00	\$0.00	\$2,208.74	\$0.00
3. Unreasonable 3rd Shift	\$539.76	\$539.76	\$0.00	\$0.00	\$539.76	\$0.00
4. Lunch Not Taken	\$520.02	\$520.02	\$0.00	\$0.00	\$520.02	\$0.00
<b>TOTAL</b>	<b>\$81,617.67</b>	<b>\$60,976.72</b>	<b>\$20,640.95</b>	<b>\$20,640.95</b>	<b>\$60,976.72</b>	<b>\$0.00</b>

**SCHEDULE OF DISALLOWANCES  
FOR VENDORS A-3 THROUGH A-6  
DISALLOWANCES ACCEPTED BY NYY AND THE CITY  
AUDIT PERIOD: 10/1/05 - 12/31/05  
AUDIT # FN06-135A**

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. Exceeded Contract Rates	\$2,461.00	\$2,461.00	\$0.00	\$0.00	\$2,461.00	\$0.00
2. Not A City Cost (antifreeze, mag flashlight, screwdriver, double end bits, respirator cartridges, wet vacuum, hose, silicone respirators, etc.)	\$1,024.89	\$1,024.89	\$0.00	\$0.00	\$1,024.89	\$0.00
3. Insufficient Documentation	\$613.80	\$613.80	\$0.00	\$0.00	\$613.80	\$0.00
4. Exceeded Invoice Amount	\$300.00	\$300.00	\$0.00	\$0.00	\$300.00	\$0.00
<b>Total</b>	<b>\$4,399.69</b>	<b>\$4,399.69</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,399.69</b>	<b>\$0.00</b>
<b>A-6 OTHER EXPENSES</b>						
1. NYY Area (Luxury Box Seats and Ceiling Tiles)	\$1,420.25	\$1,420.25	\$0.00	\$0.00	\$1,420.25	\$0.00
2. Not A City Cost (US Nylon flags, boiler drain, solder, flux, plumbers cloth, faucet, tape, Orange Gojo)	\$680.64	\$680.64	\$0.00	\$0.00	\$680.64	\$0.00
3. Exceeded Contract Rates	\$420.42	\$420.42	\$0.00	\$0.00	\$420.42	\$0.00
4. Not A City Cost (Tools)	\$150.00	\$150.00	\$0.00	\$0.00	\$150.00	\$0.00
<b>Total</b>	<b>\$2,671.31</b>	<b>\$2,671.31</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,671.31</b>	<b>\$0.00</b>

# New York Yankees

ROBERT BROWN  
VICE PRESIDENT OF FINANCE



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Oct 23 2006 2:51PM New York Yankees

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1 Centre Street  
Room 1300 North  
New York, NY 10007

RE: Audit Report FN06-135A on the New York Yankees Rental Credits- 4th quarter 2005

Dear Ms. Hornung:

In response to the draft report, the New York Yankees are accepting \$107,891.66 and rejecting \$45,082.86.

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

Sincerely,

Robert Brown

RB/rb

Cc:

Yasmin Tejani



**New York Yankees Rental Credits  
Summary of Disallowances for Schedules A-1 to A-6  
For the 4th Quarter of 2005  
Audit # FN06-135A**

	<b>Yankees Accept</b>	<b>Yankees Reject</b>	<b>Total Disallowance</b>
A-1 River Payroll	\$39,843.94	\$24,441.91	\$64,285.85
A-2 ADCO Electrical - Labor	\$60,976.72	\$20,640.95	\$81,617.67
A-3 Miranda Fuel	\$0.00	\$0.00	\$0.00
A-4 Brown & Silver	\$0.00	\$0.00	\$0.00
A-5 Stadium Repairs	\$4,399.69	\$0.00	\$4,399.69
A-6 Other Expenses	\$2,671.31	\$0.00	\$2,671.31
<b>TOTAL</b>	<b>\$107,891.66</b>	<b>\$45,082.86</b>	<b>\$152,974.52</b>

**A-1 RIVER PAYROLL**

<b>Description of Disallowance</b>	<b>Amount Accepted</b>	<b>Amount Rejected</b>	<b>Total Amount</b>
1. Retroactive Rate Adjustments	\$9,052.89	\$24,441.91	\$33,494.80
2. Excess Security Costs	\$19,008.92	\$0.00	\$19,008.92
3. Lunch Not Taken	\$4,332.26	\$0.00	\$4,332.26
4. Incomplete Timesheet(s)	\$3,262.99	\$0.00	\$3,262.99
5. Welfare Contributions Adjustment	\$1,974.46	\$0.00	\$1,974.46
6. Incorrect Hourly Rates	\$1,197.01	\$0.00	\$1,197.01
7. Hours Not Worked	\$316.01	\$0.00	\$316.01
8. NYY Assignments	\$230.28	\$0.00	\$230.28
9. Altered Timesheets	\$148.72	\$0.00	\$148.72
10. Incorrect Rate Adjustment	\$120.64	\$0.00	\$120.64
11. Double Time s/b 1.5X Rate	\$119.76	\$0.00	\$119.76
12. Ineligible Bonus Payments	\$60.00	\$0.00	\$60.00
13. Incorrect Bonus Payments	\$20.00	\$0.00	\$20.00
<b>TOTAL</b>	<b>\$39,843.94</b>	<b>\$24,441.91</b>	<b>\$64,285.85</b>

**A-2 ADCO ELECTRICAL - LABOR**

<b>Description of Disallowance</b>	<b>Amount Accepted</b>	<b>Amount Rejected</b>	<b>Total Amount</b>
1. NYY Areas, Scoreboard & Sweep Maintenance during Games	\$57,708.20	\$20,640.95	\$78,349.15
2. Hours Not Worked	\$2,208.74	\$0.00	\$2,208.74
3. Unreasonable 3rd Shifts	\$539.76	\$0.00	\$539.76
4. Lunch Not Taken	\$520.02	\$0.00	\$520.02
<b>TOTAL</b>	<b>\$60,976.72</b>	<b>\$20,640.95</b>	<b>\$81,617.67</b>

**New York Yankees Rental Credits  
Summary of Disallowances for Schedules A-1 to A-6  
For the 4th Quarter of 2005  
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**A-3 MIRANDA FUEL**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
NO DISALLOWANCE	\$0.00	\$0.00	\$0.00

**A-4 BROWN & SILVER**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
NO DISALLOWANCE	\$0.00	\$0.00	\$0.00

**A-5 STADIUM REPAIRS**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. Exceeded Contractual Rates	\$2,461.00	\$0.00	\$2,461.00
2. Not a City Cost (antifreeze, battery, mag flashlight, screwdriver, double end bits, wet vacuum, hose)	\$1,024.89	\$0.00	\$1,024.89
3. Insufficient Documentation	\$613.80	\$0.00	\$613.80
4. Exceeded Invoice Amount	\$300.00	\$0.00	\$300.00
<b>TOTAL</b>	<b>\$4,399.69</b>	<b>\$0.00</b>	<b>\$4,399.69</b>

**A-6 OTHER EXPENSES**

Description of Disallowance	Amount Accepted	Amount Rejected	Total Amount
1. NYY Areas (Luxury Box Seats and Ceiling Tiles)	\$1,420.25	\$0.00	\$1,420.25
2. Not A City Cost (US Nylon Flags, boiler drain, solder, flux, plumbers cloth, faucet, tape, Orange Gojo)	\$680.64	\$0.00	\$680.64
3. Exceeded Contractual Rates	\$420.42	\$0.00	\$420.42
4. Not A City Cost (Tools)	\$150.00	\$0.00	\$150.00
<b>TOTAL</b>	<b>\$2,671.31</b>	<b>\$0.00</b>	<b>\$2,671.31</b>