



Skody Scot & Company, CPAs, P.C.



Auditing & Accounting

Consulting/Advisory

Tax/Information Return Preparation

"Helping Not-For-Profits Manage Their Mission"



PROFESSIONAL SERVICES

- FINANCIAL AUDITS
- REVIEWS & COMPILATIONS
- SOFTWARE CONFIGURATION
- ACCOUNTING SUPPORT
- TAX EXEMPT APPLICATIONS (1023/1024)
- RETURN PREPARATION (990/CORP/INDIV)
- EFFICIENCY CONSULTING
- ADVISORS TO BOARD OF DIRECTORS
- BUDGET DEVELOPMENT AND ANALYSIS ■

FIRM PHILOSOPHY

Skody Scot & Company is a full-service, Manhattan public accounting firm that specializes in servicing not-for-profit organizations, professionals and closely held businesses. The firm provides services to clients in the New York Metropolitan area as well as to clients in other domestic and international locations. The firm has three partners and a full complement of professional and talented staff.

Skody Scot & Company has been in business for over two decades and is proud of its reputation of providing clients with a level of competence equal to that of the largest New York CPA firms. This along with reasonable and competitive fees, has prompted many clients to switch to them from larger national and international firms. The partners pride themselves on being available throughout the year to answer any questions that arise - whether appearing simple or complex. They aim to create an atmosphere of open communications and professional respect that enable their clients to feel comfortable and confident in the advice they receive. As a trusted advisor to numerous Executive Directors, Officers and Boards of Directors, they know their job doesn't end when an audit, tax return or consulting engagement is completed. Since the goal is a long-term relationship, their job of helping and supporting their clients never ends.

The information contained in this booklet will help you get acquainted with the firm. It gives an overview of the many services **Skody Scot & Company** provides, the many civic and community activities it supports and the recognition it has received.

CRAIN'S

NEW YORK BUSINESS

November 11, 1996

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Honoring New York's Best Entrepreneur



LAURENCE SCOT of Skody Scot.

Skody Scot & Co.
For accountants,
not just numbers

MANHATTAN

LAURENCE SCOT HAS A RULE OF THUMB for his business: "Don't just play accountant and bombard people with the numbers," he says.

Great idea—just a bit surprising coming from an accountant. But Mr. Scot and his partner, William Skody, offer a heavy dose of business planning and computer consulting with their tax and auditing practice. Their Manhattan accounting firm, Skody Scot & Co., specializes in small businesses, nonprofit

and business improvement districts, ranging from the Times Square BID to the Alliance for Downtown New York.

"We love Skody Scot," says Gretchen Dykstra, Times Square's president. "They're not only attentive and thorough, but they understand the need for BIDs to be accountable to the public and show open disclosure."

The partners also carve out time for a dizzying array of civic activities, particularly educational and small business issues. Messrs. Scot and Skody have been principals-for-the-day at Newtown High School in Queens and Mary Bergtraum High School in Manhattan, their respective alma maters, in Manhattan, for two years in a row. They've done a little matchmaking—getting computers donated by a business located in one of their client BIDs to Washington Irving High School in the 14th Street BID. They're active members of the Mayor's Small Business Advisory Board, the New York City Partnership and Chamber of Commerce and Con Edison's Small Business Advisory Council.

Avid lecturers, they have given free talks on financial issues at The Support Center of New York, which assists nonprofits, the Republic National Bank and the New York Software Industry Association. In their spare time, the partners do tax returns pro bono for senior citizens. "I believe there are other small companies that would like to get involved but believe they are too small to make a difference," Mr. Scot says. "This is not true."

It's no surprise that all this civic activity has been good for business. From less than \$50,000 in billings when the firm was formed in 1990, revenues are substantially higher now, although the partners decline to provide precise numbers. Skody Scot has six to nine employees, depending on its workload. ■

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New York Newsday

MANHATTAN PROFILE / William Skody



Newsday / Greg Cohen

JOB

President of Skody, Scot & Co., a CPA firm specializing in family businesses and nonprofit organizations; clients include business improvement districts; on boards of the Hell's Kitchen AIDS Project, which teaches children about AIDS, and St. Ignatius music program.

BIOGRAPHY

29; born and reared in Brooklyn; Pace University graduate; started his own firm at 25; married, one son.

RESIDENCE

Apartment in Flushing.

IMPACT

"Helping to improve New York City through servicing BIDs. BIDs attempt to collect local tax revenues from residents and businesses and use that money to provide services the city is cutting back, such as security, improved sanitation and other quality-of-life services."

FOCUS

"Our firm has an excellent record of helping businesses grow within the current recession and complex tax environment. The growth of our firm, allows our clients to receive more than tax and accounting advice. We are focusing on management and computer-technology issues, which will take our clients into the next century."

CONCERN

"That city agencies and services will be cut even further which will hinder the development of children. That's why these nonprofit organizations are so important. They fill the gap."

LOOKING AHEAD

"As our firm grows, we are still committed to providing nonprofits with needed services to insure the existence of the programs they provide. We hope to expand our practice to provide free fundraising consultants, which is the one thing most nonprofits can't afford."

By Sheila McKenna

OUR PARTNERS

William Skody, CPA graduated with a BA in accounting from Pace University within 2 ½ years, is certified to practice in New York and holds a mortgage originators license. Prior to starting his own firm, he worked for several well-known public accounting firms. His expertise lies in servicing the Not-For-Profit community which he has done for over 30 years. He is highly respected throughout the New York metropolitan area for his knowledge and experience with Economic Development corporations, arts organizations and other public charities. He believes strongly in giving back to the community and donates a great deal of his time to many worthwhile causes and organizations including sitting on several Boards and mentoring high school students.

Alfred Jacob, CPA served in the Air National Guard for five years. He received his BS in accounting from St. John's University and is Certified to practice in both New York and New Jersey. He has also earned a Certificate in Personal Financial Planning from the American Institute of Certified Public Accountants. He has more than 30 years of public accounting experience working with small to medium size businesses, individuals and estates and trusts. His experience includes servicing many prominent individuals and businesses in the entertainment and financial services industries.

OUR STAFF



Skody Scot & Company applies a holistic approach to hiring and supervising its staff. After an extensive interview process, all administrative and professional staff undergo intensive training which continues throughout their employment. Training includes both classroom and supervisory, on-the-job training and all firm members holding a CPA license must complete 40 hours a year of approved

continuing professional education in accounting, auditing, taxation and advisory services. Unlike many other accounting firms, Skody Scot & Company applies a team approach to servicing its clients. This means their clients get support from more than one member of the firm, which means they don't have to wait weeks to get answers to time-sensitive questions. They are also confident in the knowledge that all information supplied to the firm is held in the strictest confidence. The firm also undergoes quality review (reviewed by another CPA firm) and is proud of the excellent reports it has received over the years regarding its own performance.

CIVIC ACTIVITIES

One of the core philosophies of **Skody Scot & Company** is that being active in the community is good for the community as well as for business. As such, the firm has, and continues to be, involved in many worthwhile causes. The spectrum of activities covers everything from lobbying government officials on reforming onerous tax laws to reviving a Manhattan High School's Business Advisory Council. It also covers being an outspoken advocate for small business issues along with donating valuable partner time to supporting various Not-For-Profit programs and activities. The following is a list of some of the specific activities the firm's partners have been involved in and the acknowledgements they have received.



Current or Former Boards & Committees Participation

- ◆ **Chairperson** - New York City Industries for the Blind
- ◆ **Treasurer** - Tourette Syndrome Association of NJ and NJ Center for Tourette Syndrome
- ◆ **Chairperson** - Mayor's Small Business Advisory Board
- ◆ **President** - Murry Bergtraum HS Business Advisory Council
- ◆ **Treasurer** - Murry Bergtraum HS Alumni Association
- ◆ **Chairman** - Data Processing Committee of the NYS Society of CPAs
- ◆ **Committee Member** – NYC Department of Finance's Tax reform task force
- ◆ **Treasurer** - American Lung Association of Brooklyn
- ◆ **Board member** - Montauk Manor
- ◆ **Member** - NY Chamber of Commerce Small Business and Tax Committees
- ◆ **Board member** - Con Edison Business Advisory Council



FINANCE
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DEPARTMENT OF FINANCE

www.nyc.gov/finance



NOT-FOR PROFIT ORGANIZATIONS

If one was to combine every type of Not-For-Profit (NFP) organization in the U.S. today, the result would probably constitute the largest economic operating segment of our economy. The NFP sector includes every conceivable type of activity from public charities (food, shelter, financial support) to membership organizations, health and welfare, religious, cultural institutions, educational, private operating and non-operating foundations, economic development, political and the list goes on. Although most are exempt from federal, state and local income taxes, many cannot receive tax deductible contributions and others must pay an excise tax or are subject to unrelated business income taxes. In addition, NFPs differ significantly from a typical commercial enterprise in:

- ◆ Increased transparency and reporting to federal (IRS) and state (attorney generals) regulatory agencies; grantors, donors and the public
- ◆ Increased Board of Directors involvement in managing the organization's affairs
- ◆ More scrutiny and liability over compensation and related party transactions
- ◆ More detailed accounting needed to track activities by location, function, program, grant, restriction and event
- ◆ Potential requirement to have financial statements audited by a granting agency and an independent CPA

And even though NFPs are ***not in business to make a profit***, they must operate efficiently and effectively, conserve their resources and fulfill their mission while maintaining their reason for tax exemption.

Knowledge and Experience:

Skody Scot & Company understands the unique attributes of NFP organizations because their partners and staff have been servicing this sector for over two decades. Their accumulated experience and industry-specific knowledge has allowed them to advise their clients on everything from tax and reporting



compliance to avoiding lawsuits. They have helped their clients apply for tax exempt status and have an unparalleled success rate in getting those applications approved by the IRS. They have steered their clients away from doing things that could jeopardize their tax exempt status and have made countless suggestions to upper management for becoming more efficient and improving their internal controls. And, they have provided guidance on obtaining affordable insurance, setting up retirement plans, writing grant proposals, designing efficient accounting systems, hiring qualified CFOs and accounting staff, and advising board members on their fiduciary duties and responsibilities.

As the accounting firm servicing the largest number of **Business Improvement Districts (BIDs)** in New York City, **Skody Scot & Company** is familiar with the numerous rules and requirements placed on their clients and have been instrumental in helping them deal with governmental agencies (DSBS, Comptroller etc). They understand the BID organizational structure and know how to provide them with the professional services needed to run their organizations successfully.

Whether it's performing an audit or consulting on how to improve operations, NFP clients know **Skody Scot & Company** is committed to helping them in any way they can. They can count on the firm's many years of experience and the fact that they will always stand behind their work and advice.

Helping Not-For-Profits Manage Their Mission!

PROFESSIONAL SERVICES

- ◆ FINANCIAL AND COMPLIANCE AUDITS
- ◆ REVIEWS & COMPILATIONS
- ◆ ACCOUNTING SUPPORT
- ◆ TAX EXEMPT APPLICATIONS
- ◆ RETURN PREPARATION
- ◆ CONSULTING & ADVISORY
- ◆ BUDGET DEVELOPMENT AND ANALYSIS
- ◆ SOFTWARE CONFIGURATION

CONSULTING & ADVISORY

The consulting professionals at **Skody Scot & Company** are trained to be proactive and help their clients plan for the unexpected and the future. They do this by understanding the uniqueness of each organization and incorporating its goals and objectives with the constraints of the marketplace. With their knowledge and experience they help their clients see the “big picture” so they can best utilize their resources to achieve the best possible result. In addition to assistance with tactical and strategic planning, **Skody Scot & Company’s** consulting professionals provide the following services to:



NOT-FOR-PROFIT ORGANIZATIONS

- ◆ Tax exemption applications (1023, 1024)
- ◆ Developing policy and procedure manuals
- ◆ Assistance with:
 - ◆ Termination of activities, programs and endowments or organization dissolution
 - ◆ Restatement of tax exempt status
 - ◆ Hiring qualified accounting & financial staff
 - ◆ Budget development & reporting
 - ◆ Support/advocacy during regulatory audits
 - ◆ Being a sounding-board for management & BODs

RETURN PREPARATION

Understanding the numerous and complex federal, state and local tax and information reporting laws and regulations takes knowledge and experience. The professionals at **Skody Scot & Company** have that knowledge and experience and understand the consequences of operational decisions and work continually with their clients to consider the implications of those decisions. To that end, they assist with the preparation of the following returns:

- ◆ 990, 990-EZ & 990-PF
- ◆ 990T & related state returns
- ◆ NYS CHAR500 & other reporting
- ◆ Other state compliance

AUDITING AND ASSURANCE

Today, more than ever, board members, management, grantors, contributors, bankers, investors and other readers of financial statements need to be confident that the statements they read are accurate and materially correct. They need to be comfortable in the integrity and experience of the CPA firm who issues an opinion on veracity of the financial statements.

Skody Scot & Company is proud of its reputation of providing high quality assurance services such as Audits and Reviews. Their auditors are very knowledgeable in Generally Accepted Auditing Standards (GAAS). They are also sensitive to the fact that an examination can be intrusive at times and plan their engagements in such a manner as to reduce any unnecessary interference wherever possible.

Most audit engagements end with a list of suggestions on how to improve internal controls and a meeting with management and/or the Board of Directors to explain, *in plain English*, their findings and recommendations. It has often been said that their friendly and professional approach is what sets them apart from the rest.



SERVICES AVAILABLE

- ◆ Financial statement audits
- ◆ Agreed-upon procedure examinations
- ◆ Reviews

ACCOUNTING SOFTWARE

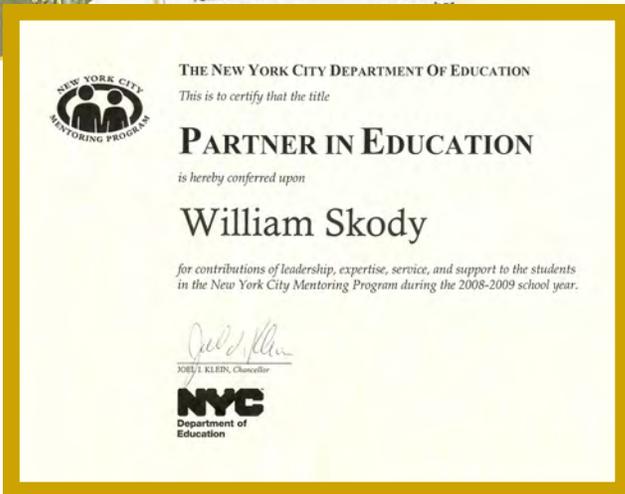
Most people today understand that accounting software is important and necessary to properly track, and report on an organization's financial activities. But what software to use and how to configure it is a mystery to most people, even to many accountants. This mystery is compounded by common misconceptions such as - all programs are created equal (with the exception of cost) and what's good for one type of organization is good for another type; Or, anyone who's computer literate can install/setup a properly configured accounting program; and, accounting systems and *chart of accounts* are easily modifiable and changeable in the future. To avoid pitfall that can haunt an organization for many years and hinder a smooth functioning information system, the professionals at **Skody Scot & Co.** take a bottom-up approach to assisting their clients in choosing an appropriate accounting program. By taking the time to analyze their clients needs, the correct program can be selected and the appropriate configuration implemented.



RECOGNITION



AWARDS



Virginia Fields
 Virginia Fields
 President, Borough of Manhattan

citation

OFFICE OF THE PRESIDENT
 BOROUGH OF MANHATTAN
 CITY OF NEW YORK

Presented to
Laurence Scot, MBA, CPA
 Senior Partner, Skody Scot And Co.
 On this Eighteenth Day of May, 2001

For your support and advocacy of small businesses, most particularly minority- and women-owned businesses, and for your sponsorship of the annual "Getting Down to Business" conference held by the New York City Department of Business Services, and your participation as a guest lecturer; and for your volunteer efforts, as President of the Mayor's Small Business Advisory Board, and Treasurer of the American Lung Association of Brooklyn, and for your service as a "Principal for a Day" at two New York City high schools; and for being a model citizen and a role model for all business people, I recognize and commend you, on behalf of the Borough of Manhattan.

In witness whereof I have hereunto set my hand and caused the seal of the Borough of Manhattan to be affixed.

Proclamation

Whereas: TAX TIME IS INEVITABLY TAXING AS THAT DREADED DEADLINE APPROACHES;

WHEREAS: DESPITE HIS HECTIC SCHEDULE ACCOUNTING FIRM OF SKODY AND PARTNERS FINDS TIME TO HELP INDIVIDUALS;

WHEREAS: WILLIAM SKODY PLAYS AN IMPORTANT COMMUNITY-BASED ORGANIZATIONAL PROJECT AND SCHOOLS INCLUSIVE RESTRUCTURE IN ADDITION TO HIS CONTRIBUTION TO THE CITY'S BUS ASSESSMENT DISTRICTS; AND

WHEREAS: TODAY WE HONOR WILLIAM SKODY FOR HELPING SO MANY NEW YORKERS WITH THEIR TAX HEADACHES;

NOW THEREFORE, I, RUTH W. MESSINGER, IN APPRECIATION OF HIS CONTRIBUTION TO THE CITY AND IN RECOGNITION OF HIS PHILANTHROPY, DO HEREBY PROCLAIM:

IN WITNESS WHEREOF I HAVE HEREUNTO SET MY HAND AND CAUSED THE SEAL OF THE BOROUGH OF MANHATTAN TO BE AFFIXED.



State of New York
Legislative Resolution

Senate No. 4484 Assembly No. 2510

BY: Senators Alesi, Bonacic, Breslin, Duane, Fuschillo, Gonzalez, Kuhl, Maziarz, Rath, Rosado, Sampson, Santiago, Seward and Wright

BY: M. of A. Morelle, Christensen, Denis, Destito, Koon, Miller, Millman, Prentiss, Rhodd-Cummings, Smith, Sweeney, Vitaliano and Young

HONORING Laurence Scot, Principal of Skody Scot & Company, upon the occasion of his receipt of a New York State Small Business Administration Award

WHEREAS, This Legislative Body takes pride in the commerce and industry whose accomplishment and prosperity of the communities of the State of New York

WHEREAS, Small business owners exemplify the economy of our State and nation since they create jobs

WHEREAS, On June 6, 2000, this Legislature honored the United States Small Business Administration Small Business Award winners; and

WHEREAS, Laurence Scot, Principal of Skody Scot & Company has been named New York State's 2000 Accounting Award winner;

WHEREAS, Skody Scot & Company was recognized for its combined knowledge and skill in the current firm; and

WHEREAS, Skody Scot & Company is a firm that specializes in servicing not-for-profit organizations and professionals; the firm provides service as well as to clients in other domestic and international markets; and

WHEREAS, Skody Scot & Company is a firm that has a level of competence equal to that of the most reasonable and competitive firms; the partner has provided national and international firms; the partner has provided a year to answer any questions that arise in an atmosphere of open communication and confidence in the management and numerous Boards of Directors; and

WHEREAS, Skody Scot & Company is a firm that has a level of competence equal to that of the most reasonable and competitive firms; the partner has provided national and international firms; the partner has provided a year to answer any questions that arise in an atmosphere of open communication and confidence in the management and numerous Boards of Directors; and

“We hope you found this booklet interesting and informative. Feel free to contact us if you would like more information about our many professional services or how we can help you or your organization achieve its goals.”

*William Skody, CPA
Partner*



Helping Not-For-Profits Manage Their Mission!



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