

**MINUTES OF MEETING OF THE AUDIT COMMITTEE  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
January 27, 2021**

A special meeting of the Audit Committee (the "Committee") of New York City Economic Development Corporation (the "Corporation" or "NYCEDC") was held virtually on Wednesday, January 27, 2021.

The following members of the Committee were present by means of a conference call at the above indicated meeting of the Committee (the "Meeting"), constituting a quorum:

- William Candelaria, Committee Chairperson
- James McSpirtt
- Betty Woo

The following members of NYCEDC staff were present by means of a conference call:

- Finance:
  - Fred D'Ascoli – CFO
  - Spencer Hobson – EVP/Treasurer
  - Amy Chan – Controller
- Internal Audit:
  - Jennie Wallace – EVP
  - Tony Khoury – VP
- Legal:
  - Mark Silversmith – Special Counsel

Also present were representatives from Ernst & Young LLP ("EY"):

- Kimberly Hancy – Engagement Partner
- Nicole Rapport – Senior Manager

The meeting was called to order at 9:04 a.m.

**1. Approval of the Minutes of the September 29, 2020 Audit Committee meeting**

Mr. Candelaria asked if there were any questions or comments related to the minutes of the September 29, 2020 Committee meeting as submitted. There being no questions or comments, Ms. Woo motioned to approve the minutes. Mr. McSpirtt seconded the motion and the minutes were approved.

## **2. Finance Update**

Ms. Chan stated that at the February 13, 2020 Committee meeting, the Accounting Department gave an overview of the Government Accounting Standards Board (“GASB”) Statement No. 84, Fiduciary Activities due to be implemented for fiscal year 2020 and GASB Statement No. 87, Leases due to be implemented for fiscal year 2021. Ms. Chan advised that subsequent to that meeting, the GASB recognized the hardships and the resource constraints faced by government entities over the past year due to COVID-19; therefore, GASB extended the implementation dates for both Statements by one year.

As GASB 84 is now effective for the fiscal year 2021 financials and GASB 87 is effective for the fiscal year 2022 financials, Ms. Chan provided a brief recap on the requirements of GASB 84 and the objective of this statement which is to improve accounting and financial reporting as it relates to fiduciary activities. Ms. Chan noted that these fiduciary activities will be reported in two new financial statements: Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. With the looming deadline approaching, Ms. Chan stated that NYCEDC is in the process of accumulating the pension and custodial funds information to determine if they meet the GASB 84 criteria for separate reporting. The plan is to have this information be available for EY to review by this coming Spring.

Ms. Chan then provided a brief overview of GASB Statement No. 87, Leases. She stated that the objective of this statement is to better meet the informational needs of financial statement users by improving accounting and financial reporting for leases by governments. Ms. Chan stated that NYCEDC will be having a follow up meeting with the Comptroller’s office on January 29<sup>th</sup> to obtain further guidance on next steps in the process.

## **3. Internal Audit Activity Update**

Ms. Wallace presented the agenda for the Internal Audit update and then noted that the FY2020 Audit Plan has been completed and reports have been issued.

Ms. Wallace then discussed the FY2021 Audit Plan Status to date and noted that there are a total of fifteen projects on the FY2021 Audit Plan.

Ms. Wallace then spoke about the open issues to date, highlighting that most of the issues are not yet due.

Mr. Khoury then gave an update on the activities performed by the Engineering Audit Unit (“EAU”), including the number of change orders reviewed and other metrics. He updated the Committee on the status of FY2021 construction audits, and on some potential future updates to the change order review process.

Lastly, Ms. Wallace discussed some general department updates including methodology updates, relationship-building and organizational independence.

**4. Session with External Auditors**

A private session with EY was held by the Committee.

**5. Session with Internal Audit**

A private session with Internal Audit was held by the Committee.

**6. Session with Management**

A private session with Management was held by the Committee.

**7. Adjournment**

There being no further business to come before the Committee, the meeting was adjourned at 10:38 a.m.