

MINUTES OF THE AUDIT COMMITTEE
OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
January 21, 2021

A virtual meeting of the Audit Committee of the Board of Directors (the “Committee”) of New York City Industrial Development Agency (“NYCIDA” or the “Agency”) was held telephonically on Thursday, January 21, 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:

- Albert V. De Leon
- Shanel Thomas
- Khary Cuffe

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, Carol Ann Butler – AVP
- Internal Audit (“IA”): Jennie Wallace – EVP
- Compliance Department (“Compliance”): Shin Mitsugi – SVP and the Agency’s Compliance Officer
- Strategic Investments Group (“SIG”): Krishna Omolade – VP and the Agency’s Executive Director

Present by means of a conference call were representatives from Ernst & Young LLP (“EY”):

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

Mr. De Leon called the meeting to order at 9:10 a.m.

1. Approval of the Minutes of the September 21, 2020 Audit Committee meeting

Mr. De Leon asked if there were any questions or comments related to the minutes of the September 21, 2020 meeting. There being no questions or comments, Mr. Cuffe motioned to approve the minutes. Ms. Thomas seconded the motion, and the motion was approved.

2. Finance Update

Ms. Chan updated the Audit Committee on impending financial reporting changes, specifically relating to the stadia transactions on NYCIDA's books. In May 2019, the Governmental Accounting Standards Board issued Statement No. 91 ("GASB 91") relating to conduit debt obligations to improve the overall consistency of conduit debt reporting by state and local government entities by defining what is actual conduit debt. Since the issuance of GASB 91, the Agency has been evaluating the impact of this accounting standard on the Agency's financial statements. The bonds issued by the Agency for the development of the Yankees and Mets stadia are special obligations of the Agency solely payable from the revenues derived from PILOT payments made by these major league baseball teams. The Agency has not made any voluntary or additional commitments to pay the debt service of these bonds outside of the PILOT revenue received from the Yankees and Mets. Accordingly, the bonds do not have any financial impact on the Agency's financial position or results of operations. With the adoption of this accounting standard, which is effective for the Agency's fiscal year 2023 financial statements, the Agency will no longer be required to present the gross up of the stadia bonds on its basic financial statements. The outstanding bonds payable balance will be reported in the required footnote disclosure instead. Given the issuance of the 2020 Yankees refunding bonds and the impending issuance of the 2021 Mets refunding bonds, management, with concurrence from the Agency's auditors, determined that it would be most efficient to early adopt this new accounting standard.

3. Internal Audit Activity Update

Ms. Wallace discussed the FY2021 Audit Plan. She commented that there is one audit on the plan scheduled to begin in February; and the goal is to have the audit completed and the report issued by the next Audit Committee meeting. Ms. Wallace also stated that there are no open issues to report.

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

4. Compliance Activity Update

Mr. Mitsugi stated that the Compliance Department has been working for months to complete the FY2020 annual reports. The Compliance team has been diligently assisting the portfolio projects that support investments, job creation, job retention and growth. Mr. Mitsugi noted that this annual report is required for NYCEDC under the New York City Administrative Code §22-823. This section specifically requires NYCEDC, on behalf of NYCIDA and Build

NYC, to submit annual reports containing descriptive data on selective projects describing the amount of City assistance provided and estimates of the New York City tax revenue to be generated. This report will be submitted by January 31, 2021 to the City Council and other local elected officials. Once this report is published, it will be made available on NYCEDC's website.

Mr. Mitsugi thanked the Compliance team in their continuous efforts to communicate with these businesses. Although this is a difficult time, the Compliance team must convince these businesses to meet the requirements under their agreement with the Agency, including required PILOT payments to New York City in time of the New York City's fiscal crisis as a result of impacts of the COVID-19 pandemic.

5. Session with External Auditors

A private session with EY was not held at this time

6. Session with Management

A private session with Management was not held at this time

7. Session with Internal Audit

A private session with Internal Audit was not held at this time

8. Adjournment

There being no further business, the meeting was adjourned at 9:35 a.m.



Assistant Secretary

05/12/2021

Date: _____

New York, New York