

**MINUTES OF THE AUDIT COMMITTEE**  
**OF**  
**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**May 12, 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 Wednesday, May 12, 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
- 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, Leslie Escobar – Deputy Controller, Carol Ann Butler – AVP, Christine Robinson – 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 –Partner
- Erin Montgomery – Senior Manager
- Adam Wolken– Manager

Mr. De Leon called the meeting to order at 9:08 a.m.

### **1. Approval of the Minutes of the January 21, 2021 Audit Committee meeting**

Mr. De Leon asked if there were any questions or comments related to the minutes of the January 21, 2021 meeting. There being no questions or comments, Mr. Cuffe motioned to approve the minutes. Mr. De Leon seconded the motion, and the motion was approved.

### **2. Finance Update**

Mr. D'Ascoli noted that the NYCIDA budget will be presented at next month's Board Meeting. He said that Ms. Chan will explain the Governmental Accounting Pronouncements related to conduit debt obligations regarding the Yankees and Mets stadia transactions to address the possibility of removing these transactions on NYCIDA's books.

Ms. Chan introduced Ms. Escobar, who joined the Finance team as Deputy Controller in February 2021, to the Committee. Ms. Escobar was on the NYCIDA and Build audit team for three out of the five years of her employment at EY.

As Mr. D'Ascoli mentioned, Ms. Chan stated that EY and Finance will review the Governmental Accounting Standards Board issued Statement No. 91 ("GASB 91") related to conduit debt obligations relative to the Yankees and the Mets stadia transactions and removal of these obligations from the Agency's books.

### **3. EY Update**

Ms. Hancy introduced Ms. Montgomery, the new senior manager, and Mr. Wolken, the new manager on the engagement. Next, Ms. Montgomery and Mr. Wolken described their audit background to the Committee.

Ms. Hancy discussed the NYCIDA FY2021 Audit Plan and summarized EY's deliverables and services that are consistent with prior years. Ms. Hancy detailed the areas of audit emphasis and the summary of planned audit procedures. Ms. Hancy mentioned that one area of change for NYCIDA is the early implementation of GASB 91, Conduit Debt Obligations, that Ms. Chan previously communicated to the Committee. In FY2021, EY will obtain an understanding of NYCIDA's implementation of GASB 91 and the related impacts on the financial statements and note disclosures. Ms. Montgomery briefly highlighted the upcoming GASB pronouncements, GASB Statement No. 84, Fiduciary Activities, GASB Statement No. 87, Leases and GASB Statement No. 90, Majority Equity Interests.

Ms. Hancy stated that EY started working remotely on the NYCIDA interim procedures. She noted that they will return in late July and August to execute the year-end audit testing procedures, and then in September to report on its audit results.

#### **4. Internal Audit Activity Update**

Ms. Wallace provided the status of the FY2021 NYCIDA audit plan and estimated date to complete the plan. Ms. Wallace also stated that there are no open issues to report. Ms. Wallace then discussed the FY2022 proposed Audit Plan.

Mr. De Leon asked if there were any questions or comments related to the FY2022 proposed Audit Plan. There being no questions or comments, Mr. Cuffe motioned to approve the FY2022 proposed Audit Plan. Mr. De Leon seconded the motion, and the motion was approved.

#### **5. Compliance Activity Update**

Mr. Mitsugi presented updates on the Agency's Commercial Growth Project portfolio. He explained that there may be possible consequences because of the mandate for Project Companies to close their offices or significantly reduce the occupancy level during the pandemic. Mr. Mitsugi reminded the Committee that NYCIDA provides the Commercial Growth projects tax incentives based on the number and location of employees. Because of the office closures during the pandemic, some Commercial Growth projects may not be able to certify whether they had maintained the required level of their NYC-based employees during the fiscal year 2021.

Mr. Mitsugi stated that the Compliance team prepared a questionnaire to understand how these companies have adapted their remote work policies during the pandemic to determine how to deal with projects that may not meet the employment commitments.

#### **6. Session with External Auditors**

A private session with EY was not held at this time

#### **7. Session with Management**

A private session with Management was not held at this time

#### **8. Session with Internal Audit**

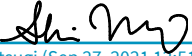
A private session with Internal Audit was not held at this time

#### **9. Other Business**

Dates for FY2022 Audit Committee Meetings for IDA were approved by the Audit Committee

#### **10. Adjournment**

There being no further business, the meeting was adjourned at 9:46 a.m.

  
Shin Mitsugi (Sep 27, 2021 12:51 EDT)

Assistant Secretary

09/27/2021

Date: \_\_\_\_\_

New York, New York