

**MINUTES OF MEETING OF THE AUDIT COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
January 27, 2022**

A meeting of the Audit Committee (the "Committee") of New York City Economic Development Corporation (the "Corporation" or "NYCEDC") was held on Monday, January 27, 2022 at the Corporation's offices at One Liberty Plaza, Conference Room 14A (The Battery), New York, New York 10006

The following members of the Committee were present in person at the above indicated meeting of the Committee (the "Meeting"), constituting a quorum:

- James McSpirtt
- Betty Woo

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

- Finance:
 - Fred D'Ascoli – CFO (conference call)
 - Spencer Hobson – EVP/Treasurer (conference call)
 - Amy Chan – Controller (in person)
 - Leslie Escobar – Deputy Controller (conference call)
- Internal Audit ("IA"):
 - Jennie Wallace – EVP (in person)
 - Tony Khoury – VP (in person)
 - Allison Richardson – VP (conference call)
- Legal:
 - Mark Silversmith – Special Counsel (in person)

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

- Kimberly Hancy – Engagement Partner
- Erin Montgomery – Senior Manager
- Adam Wolken – Manager

The meeting was called to order at 9:00 a.m.

1. Approval of the Minutes of the September 27, 2021 Audit Committee meeting

Mr. McSpiritt asked if there were any questions or comments related to the minutes of the September 27, 2021 Committee meeting as submitted. There being no questions or comments, Ms. Woo motioned to approve the minutes. Mr. McSpiritt seconded the motion and the minutes were approved.

2. Finance Update

Ms. Chan stated that Finance is planning on procuring and retaining auditors for the next four years as EY's contract is concluding. Finance will prepare a request for proposals ("RFP") on behalf of NYCEDC. The selection committee's recommendation for award will be presented to the NYCEDC Audit Committee at its March 2022 meeting, and the full Board's approval will be sought at the NYCEDC Board meeting in May 2022.

Next, Ms. Chan commented that the Government Accounting Standards Board ("GASB") Statement No. 87, Leases, is effective for the fiscal year 2022 financial statements. Based on conversations between NYCEDC and the Comptroller's office, the lessor/lessee relationship originally believed may not exist because of the Master/Maritime contract that governs that relationship. Ms. Chan said that NYCEDC expected more coordination between the Corporation and the Comptroller's Office. Ms. Chan responded to Mr. McSpiritt's question about the lessor/lessee relationship between the city and NYCEDC. She explained that there will be additional written disclosures required by the city; however, there may not be accounting recognition on their balance sheet. Ms. Chan stated that NYCEDC will be having follow up meetings with the Comptroller's office to obtain further guidance on next steps in the process and share with the Committee at the next Audit Committee meeting in May 2022.

3. Internal Audit Activity Update

Ms. Wallace provided an update on the FY2022 NYCEDC Audit Plan and discussed the three Assurance projects that are in process. The Committee asked some questions about the At Risk and Fronted Payments Assurance Project, which were answered by Ms. Wallace, Mr. Hobson, and/or Mr. D'Ascoli.

Ms. Wallace then discussed the FY2022 NYCEDC Advisory Projects and the open issues with the Committee. The Committee requested that Ms. Wallace provide additional details on the open issues at the next NYCEDC Audit Committee meeting in May.

4. Session with External Auditors

A private session with EY was not 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 10:55 a.m.