

**MINUTES OF MEETING OF THE AUDIT COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
April 15, 2022**

A special meeting of the Audit Committee (the "Committee") of New York City Economic Development Corporation (the "Corporation" or "NYCEDC"), called at the direction of the President of NYCEDC, was held at 12:00 p.m., on Friday, April 15, 2022, at the Corporation's offices at One Liberty Plaza, Conference Room 14B (The Battery), New York, New York 10006

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, Chairperson
- 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 (conference call)
 - Leslie Escobar – Deputy Controller (conference call)
- Internal Audit ("IA"):
 - Jennie Wallace – EVP (conference call)
- Compliance Department ("Compliance")
 - Shin Mitsugi- SVP (conference call)
- Legal:
 - Mark Silversmith – Special Counsel (in person)

The meeting was called to order at 12:00 p.m.

1. Approval of the Minutes of the January 27, 2022 Audit Committee meeting

Mr. McSpirtt asked if there were any questions or comments related to the minutes of the January 27, 2022 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. Approval of Entity to Serve as NYCEDC's External Auditor

Ms. Chan stated that the Public Authorities Accountability Act ("PAAA") requires the NYCEDC Audit Committee to recommend to the Board of Directors the hiring of a Certified Independent Accounting Firm, to establish the compensation for that accounting firm and to provide direct oversight of the performance of the independent audit. As the current audit services contract expired with the completion of the FY2021 audit, NYCEDC staff issued a Request for Proposals ("RFP") for the selection of the auditor for a new contract. Ms. Chan commented that Ms. Escobar would describe the scope of services, the results of the selection process and the contract price being recommended by management for approval by the Committee, with subsequent presentation to the full Board for approval on April 27, 2022.

Ms. Escobar stated that the selection committee recommends the selection of Ernst & Young LLP ("EY") as the external auditor for the Corporation. The Committee's approval is sought to recommend awarding the contract to EY to the NYCEDC Board of Directors. The contract for services will cover the next four fiscal years at an amount not to exceed \$1,696,307. Ms. Escobar noted that the scope of work includes audits of the Corporation's financial statements and the schedule of investments for the fiscal years ending June 30, 2022 through 2025, a management letter, if required, setting forth findings and recommendations, and performance of other audit related services if needed.

The selection of EY was done through an RFP that was publicly advertised in the City Record and delivered to twenty-four accounting firms from the City Comptroller's pre-qualified CPA list. Five proposals were received and NYCEDC's staff evaluated the submitted proposals principally using the following criteria:

- The firm's experience with audits of similar size and scope
- The quality of the firm's approach to audit services
- The composition and relative experience of the audit team
- The firm's proposed fees
- The overall quality of the proposal

The three highest scoring firms based on their proposals were interviewed, with EY scoring the highest in both the proposal and the interview rounds. EY has extensive knowledge and expertise in state and local government accounting and auditing. EY's client base includes several NYC component units and NYS public authorities. Furthermore, its commitment to a real and practical approach to inclusiveness and diversity stood out. Although this contract does not have an MWBE requirement, EY was the only firm to propose an MWBE partnership. EY will partner with a MWBE firm for up to ten percent of the audit hours.

Mr. McSpiritt questioned the best practices utilized for changing audit firms. Ms. Escobar explained that according to PAAA guidelines, there are no strict requirements to change auditors; however, there is a partner rotation every five years with the present engagement partner coming off after the FY2024 audit. Mr. McSpiritt asked if the fee was comparable to prior years. Ms. Chan noted that EY's fee was approximately 11% higher than the prior year because of the implementation of GASB Statement No. 87 requirements and an overall increase in price.

With no other questions or comments, Mr. Candelaria motioned to approve management's recommendation for NYCEDC's external auditor, and the compensation to be paid to the auditor, to be submitted for approval by the NYCEDC's Board of Directors. Ms. Woo seconded the motion, and the motion was approved.

3. Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 12:17 p.m.