

**MINUTES OF MEETING OF THE AUDIT COMMITTEE  
OF  
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION  
May 18, 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 9 a.m. on Wednesday, May 18, 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 or by means of a conference call at the above indicated meeting of the Committee (the "Meeting"), constituting a quorum:

- William Candelaria, Chairperson (conference call)
- James McSpirtt (in person)
- Betty Woo (in person)

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

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

The following members of Ernst & Young LLP (EY) staff were present by means of a conference call:

- Kimberly Hancy - Partner

- Adam Wolken - Manager

The meeting was called to order at 9:03 a.m.

### **1. Approval of the Minutes of the April 15, 2022 Audit Committee meeting**

Mr. McSpiritt and Mr. Candelaria agreed that Mr. McSpiritt would chair the meeting since he was there in person. Mr. McSpiritt began the meeting, and asked if there were any questions or comments related to the minutes of the April 15, 2022, Committee meeting as submitted. Mr. McSpiritt himself had a question regarding at what point in the prior meeting was the EY fee discussed. That being answered and there being no further questions or comments, Ms. Woo motioned to approve the minutes. Mr. McSpiritt seconded the motion, and the minutes were approved.

### **2. Finance Update**

Ms. Escobar presented the Finance Update. Ms. Escobar stated that an important item of focus for this fiscal year would be the implementation of GASB 87. Under the new guidance certain lease assets and liabilities will be recognized on the balance sheet. Ms. Escobar then stated that NYCEDC has been in contact with the NYC Comptroller's office to discuss GASB 87 and the treatment of leases where there is a City relationship.

Ms. Hancy confirmed EY is working collaboratively with NYCEDC to ensure implementation of the new standard.

### **3. Ernst & Young Update**

Ms. Hancy opened by thanking NYCEDC for reappointing EY as its independent auditors. She then introduced Adam Wolken, manager on the engagement team.

Ms. Hancy then presented the EY 2022 audit plan, focusing first on the 2022 EY services and deliverables, including audit and audit related services which primarily consist of the audit of financial statements and the schedule of investments, issuing a report on internal control over financial reporting, compliance and other matters based on an audit performed in accordance with Government Auditing Standards, and issuing a management letter with recommendations for improvements in controls and procedures (if applicable).

Mr. Wolken then presented high level areas of audit emphasis for the FY22 audit.

Ms. Hancy then presented EY's required communications as required by professional standards.

Ms. Hancy then proceeded to discuss the select upcoming GASB accounting pronouncements and the new accounting standards which will be emphasized during this year's audit, with a larger focus on GASB 87.

Ms. Hancy then provided the latest copy of EY's peer review report.

Upon completion of her presentation, Ms. Hancy asked if there were any questions. Mr. Candelaria requested further explanation of GASB 97. Ms. Hancy responded that at this time she doesn't believe it will have much of an impact on NYCEDC as compared to the way it is affecting other organizations.

#### **4. Internal Audit**

Ms. Wallace began by presenting the status of the FY22 Audit Plan, including In-Process Projects, Completed Projects, and Audit Plan Changes.

Ms. Wallace then presented the status of outstanding audit issues, pointing out there are currently 31 current open audit issues and that 28 audit issues had been closed since the last meeting. Mr. Koury then explained the process of working with management on closing the issues that Internal Audit finds.

Ms. Wallace then described some Advisory Projects that Internal Audit has performed.

Ms. Wallace then presented the FY23 Proposed Audit Plan as of the date of the meeting and reminded the Audit Committee that the plan can change throughout the fiscal year in response to risk.

Mr. Candelaria asked if there were any questions or comments related to the FY23 proposed Audit Plan. There being no questions or comments, Mr. McSpirtt motioned to approve the FY23 proposed Audit Plan. Ms. Woo seconded the motion, and the motion was approved.

#### **5. Session with External Auditors**

A private session with EY was held by the Committee.

#### **6. Session with Internal Audit**

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

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

A private session with Management was held by the Committee.

#### **8. Adjournment**

There being no further business to come before the Committee, the meeting was adjourned.