

MINUTES OF THE AUDIT COMMITTEE
OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY

June 6, 2023

A 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 in-person on Tuesday, June 6, 2023.

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

- Albert V. De Leon
- Shanel Thomas
- James Prendamano

The following members of NYCEDC staff were present:

- Finance: Jeanny Pak, CFO; Spencer Hobson, EVP/Treasurer; Amy Chan, Controller; Leslie Escobar, Deputy Controller; Carol Ann Butler, AVP; Christine Robinson, VP
- Internal Audit (“IA”): Jennie Wallace, EVP; Allison Richardson, VP; Melanie Fredericks, AVP
- Compliance Department (“Compliance”): Shin Mitsugi, SVP and the Agency’s Compliance Officer
- Strategic Investments Group (“SIG”): Emily Marcus Falda, the Agency’s Executive Director

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

- Kimberly Hancy, Partner
- Danielle Hurlburt, Managing Director
- Anisha Patel, Assurance Senior

Mr. De Leon called the meeting to order at 10:00 a.m.

1. Approval of the Minutes of the February 14, 2023 Audit Committee meeting

Mr. De Leon asked if there were any questions or comments related to the minutes of the February 14, 2023 meeting. There being no questions or comments, Ms. Thomas motioned to approve the minutes. Mr. Prendamano seconded the motion, and the motion was approved.

2. Finance Update

There were no updates. However, Mr. Hobson took the time to introduce the Audit Committee Board members to the new NYCEDC CFO, Jeanny Pak.

3. EY Update

Ms. Hancy introduced Ms. Hurlburt, the new Managing Director, and Ms. Patel, the acting manager on the engagement. Next, Ms. Hurlburt described her audit background to the Committee.

Ms. Hancy then presented the EY 2023 audit plan, focusing first on the 2023 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).

Ms. Patel then presented high level areas of audit emphasis for the FY23 audit.

Ms. Hancy presented EY's required communications as required by professional standards as well as a high-level overview of upcoming GASB accounting pronouncements. It is not anticipated that any of the upcoming accounting procurements will have a significant impact on the entity. She also discussed EY's peer review report, which was recently completed.

Ms. Hancy concluded the audit plan discussion to highlight the general audit timing. EY's audit plan procedures are already underway. The majority of the audit testing will be performed between August and September.

4. Internal Audit Activity Update

Ms. Wallace made a brief introduction of the new member to her team, Melanie Fredericks, AVP. Ms. Fredericks discussed her past experience in Internal Audit with the Audit Committee.

Ms. Wallace provided the status of the FY23 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 there will be no audits planned for FY24 proposed Audit Plan so as not to duplicate the efforts with the New York State Comptroller's audit.

5. Compliance Activity Update

Mr. Mitsugi gave an update on the ongoing audit by the Office of the State Controller (OSC) on IDA, including a review of 32 benefit recapture and repayment projects. The OSC audit team would be issuing another round of primary findings later in the month (i.e., June 2023) based on the review of these projects. Once issued, Mr. Mitsugi stated he'll have a better idea of the remainder of the audit work.

Mr. Prendamano and De Leon inquired about the reasons for the audit delays. According to Ms. Marcus Falda, through her position as a member of the Board of Directors for the New York State Economic Development Council (NYSEDC), other industrial development agencies had commonly experienced these extended audit engagements by OSC. She further stated that NYSEDC is putting together a list of best practices for IDAs that are undergoing state audits.

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

No other business was discussed at this time.

10. Adjournment

There being no further business, the meeting was adjourned at 10:34 a.m.