

AUDIT COMMITTEE MEETING

NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY

**Monday, September 17, 2018 - 9:00 a.m.
Conference Room 5B
110 William Street
New York, New York 10038**



New York City Industrial Development Agency

NOTICE OF THE AUDIT COMMITTEE MEETING OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
September 17, 2018

A meeting of the Audit Committee of the Board of Directors of New York City Industrial Development Agency ("NYCIDA"), called at the request of the Chairperson of the Audit Committee, will be held at 9:00 a.m. on Monday, September 17, 2018, at New York City Economic Development Corporation, 110 William Street, Conference Room 5B, New York, New York 10038.

The Agenda for the meeting is as follows:

- I. Approval of the Minutes of the April 5, 2018 Special Audit Committee Meeting
- II. Approval of the Minutes of the May 10, 2018 Audit Committee Meeting
- III. Presentation of the Annual Financial Statements
 - Management Discussion
 - E&Y Update
- IV. Internal Audit Activity Update
- V. Compliance Activity Update
- VI. Session with Management (if necessary)
- VII. Session with Auditors (if necessary)
- VIII. Such other business as may properly come before the Committee

New York, New York

Dated: 9/10/18

Michael Zuckerman

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

April 5, 2018

A special 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 on Thursday, April 5, 2018, called at the direction of the President, at the New York City Economic Development Corporation (“NYCEDC”), 110 William Street, Conference Room 5B, New York, New York 10038.

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:

- Albert V. De Leon, Committee Chairperson (present in person)
- Kevin Doyle (attended by phone)
- Shanel Thomas (present in person)

In addition, the following members of NYCEDC staff were present:

- Finance: Kim Vaccari - CFO, Spencer Hobson – EVP/Treasurer, Raafat Osman – Assistant Treasurer
- Internal Audit (“IA”): David Price – SVP, Anjanette Ortiz – VP
- Compliance Department (“Compliance”): Shin Mitsugi – SVP
- Strategic Investments Group (“SIG”): Anne Shutkin – VP

Mr. De Leon called the meeting to order at 9:00 a.m.

Mr. Osman, the Assistant Treasurer, stated that NYCIDA is seeking to enter into a contract (“Audit Contract”) with Ernst & Young LLP (“E&Y”) to provide audit services for the Fiscal Years ending June 30, 2018 through 2021. A Request for Proposals (“RFP”) was issued to engage an independent auditor (“the Auditor”) to provide the services. The RFP was delivered to eighty-one (81) audit firms selected from the City Comptroller’s pre-qualified certified public accountant list and was advertised in the City Record. A selection committee of NYCEDC staff (representatives from Finance, Internal Audit and Compliance) evaluated the proposals and ranked the firms.

Mr. Osman further stated that the evaluations considered each firm’s experience in providing audit services to similar entities, the audit methodology, composition and relative experience of the audit team, the firm’s proposed fees, and the overall quality of the proposal. At the conclusion of the process, E&Y received the highest ranking and was determined to be the strongest firm for the award of the Audit Contract.

Mr. De Leon and Mr. Doyle questioned the criteria and diversity that made E&Y the selection committee’s highest-ranked audit firm. The selection committee all agreed that the depth of experience, subject matter expertise, #1 diversity classification and understanding of NYCIDA and Build NYC’s complicated business structures made E&Y the strongest firm for the award of the Audit Contract.

With no other questions or comments, Mr. Doyle motioned to approve the Management’s recommendation for External Auditors, selected via RFP for submission for approval by the Agency’s Board of Directors. Ms. Thomas seconded the motion and the motion was approved.

There being no further business, the meeting was adjourned at 9:25 a.m.

MINUTES OF THE AUDIT COMMITTEE
OF
NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY
May 10, 2018

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 on Thursday, May 10, 2018 pursuant to notice from the Deputy Executive Director of the Agency, at the New York City Economic Development Corporation (“NYCEDC”), 110 William Street, Conference Room 5B, New York, New York 10038.

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:

- Albert V. De Leon, Committee Chairperson (present in person)
- Shanel Thomas (attended by phone)

In addition, the following members of NYCEDC staff were present:

- Finance: Kim Vaccari – CFO, Spencer Hobson – EVP/Treasurer, Raafat Osman – Assistant Treasurer, Carol Ann Butler – AVP, Christine Robinson – AVP
- Internal Audit (“IA”): David Price – SVP
- Compliance Department (“Compliance”): Shin Mitsugi – SVP, Daniel Kane – VP, David Atlas – AVP
- Strategic Investments Group (“SIG”): Eric Clement – SVP, Anne Shutkin – VP

Also present were representatives from Ernst & Young LLP (“E&Y”):

- Louis Roberts – Engagement Partner and Nicole Rapport – Senior Manager

Mr. De Leon called the meeting to order at 9:06 a.m.

1. Approval of the Minutes of the December 12, 2017 Audit Committee meeting

Mr. De Leon asked if there were any questions or comments relating to the minutes of the December 12, 2017 meeting. There being no questions or comments, Ms. Thomas motioned to approve and Mr. De Leon seconded, and the motion was approved.

2. Ernst & Young Update

Mr. Roberts thanked the NYCIDA and Build NYC Board and Audit Committee members for reappointing E&Y as the auditors for another four (4) years. E&Y has not identified any issues that would change the course or the scope of the audits, so the audits would be performed in a consistent manner as in prior years. E&Y intends to make their selections for their planning and interim testing in June 2018, return in July and August 2018 to execute the year-end audit testing procedures and then issue the financial statements by the September 30, 2018 deadline.

3. Internal Audit Update

Mr. Price directed everyone's attention to Tab 3 in the meeting book. He stated that fieldwork testing of the two (2) FY2018 NYCIDA approved projects, Brown Brothers Harriman & Co. and JP Morgan Chase were completed and the reports distributed accordingly.

Compliance evaluated the NYCIDA project portfolio and then Internal Audit confirmed Compliance's recommendation that the two projects best suited for audit this FY2019 are the New York Times Company and CBS Inc. Ms. Thomas motioned to approve and Mr. De Leon seconded and approved.

4. Compliance Update

Mr. Mitsugi stated that Compliance started a publication called "Compliance Department Updates" that provides various metrics that Compliance uses to provide monthly updates on the department's project portfolio. The purpose of this publication is not only to provide results and data but also the contextual information surrounding the metrics Compliance reports publicly. The format of this publication also aims to communicate better with the management and colleagues of NYCIDA about the role and responsibilities of Compliance.

5. Session with Management

Session with Management was not required by the Committee

6. Session with Auditors

Session with Auditors was not required by the Committee

7. Adjournment

There being no further business, the meeting was adjourned at 9:28 a.m.