

**MINUTES OF MEETING OF THE AUDIT COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
May 9, 2018**

A meeting of the Audit Committee (the “Committee”) of New York City Economic Development Corporation (the “Corporation” or “NYCEDC”) was held on Wednesday, May 9, 2018 at the Corporation, 110 William Street, Conference Room 5B, New York, New York 10038.

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

- William Candelaria, Committee Chairperson
- James McSpiritt
- Michael Schlein
- Betty Woo

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

- Finance: Kim Vaccari – EVP/CFO, Spencer Hobson – EVP/Treasurer, Raafat Osman – Assistant Treasurer
- Internal Audit (“IA”): David Price – SVP
- Legal – Mark Silversmith – Special Counsel, Jaan Kangur – Senior Paralegal

Also present were representatives from Ernst & Young LLP (“E&Y”): Lou Roberts – Engagement Partner (attended by telephone) and Nicole Rapport – Senior Manager (present in person)

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

1. Approval of the Minutes of the September 25, 2017 Audit Committee Meeting

Mr. Candelaria asked if there were any questions or comments relating to the minutes of the September 25, 2017 Committee meeting as submitted. There being no questions or comments, Mr. Candelaria motioned to approve the minutes. Mr. McSpiritt seconded the motion and the minutes were approved.

2. Minutes of a Meeting of Members of the Audit Committee on December 11, 2017 (for information only)

Mr. Candelaria presented minutes of the December 11, 2017 meeting of members of the Committee. A quorum was not present at this meeting. The minutes were prepared for information only.

3. Internal Audit Update

Mr. Price indicated that during FY2018 IA has issued reports for ten projects. Two additional reports are in draft and will be distributed shortly. Three projects are currently being tested and reports for them will be issued prior to June 30, 2018.

Mr. Price then discussed open issues, stating that 217 issues have been reported dating back to FY2014. Mr. Price stated that IA was pleased to report that 81% of the open issues are now closed. The audit team has been working closely with management, making it a priority to close issues and reduce risk.

Mr. Price then discussed the FY2019 Internal Audit Plan proposal. Each year, the IA team conducts an enterprise wide risk assessment. The results of the risk assessment yielded several areas of focus with high and moderate to high risks. Mr. Price presented the fourteen projects that will be audited in FY2019. Mr. Candelaria motioned to approve the FY2019 proposed audit plan, Mr. McSpirtt seconded the motion and the FY2019 audit plan was approved.

4. E&Y Update

Mr. Roberts thanked the NYCEDC Board and Audit Committee members for reappointing E&Y as the auditor for another four years. E&Y has not identified any issues that would change the course or the scope of the audit, so the FY2019 audit will be performed in a manner consistent with prior years. E&Y intends to have a kick-off meeting in May 2018 and will perform its interim procedures in June 2018. It plans to execute its year-end audit testing procedures during August through September 2018 and that the financial statements will be issued by the September 30, 2018 deadline.

5. Session with Auditors

It was decided that a private session with E&Y was not required by the Committee at this time.

6. Session with Management

A private session with Management and Legal was held at this time.

7. Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 10:38 a.m.