

**MINUTES OF MEETING OF THE AUDIT COMMITTEE
OF
NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION
February 4, 2025**

A meeting of the Audit Committee (the “Committee”) of New York City Economic Development Corporation (the “Corporation” or “NYCEDC”) was held on Tuesday, February 4, 2025, at the Corporation, One Liberty Plaza, Conference Room 14B (Highbridge), New York, New York 10006.

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

- James McSpirtt
- Betty Woo
- Eric Clement

The following members of NYCEDC and KPMG LLP staff were present in person:

- Finance:
 - Jeanny Pak – CFO
 - Spencer Hobson – EVP/Treasurer
 - Amy Chan – Controller
 - Leslie Escobar – Deputy Controller
 - Yana Djin – Executive Assistant
- Internal Audit (“IA”):
 - Eric Katz – Senior Vice President
 - May Boucherak – Principal, KPMG LLP
- Legal:
 - Mark Silversmith – Special Counsel
- MIS:
 - Delano Clarke – Technical Support

Also present was a representative from Ernst & Young LLP (“EY”):

- Daniella Hurlburt – Managing Director

The meeting was called to order at 9:55 a.m.

1. Approval of the Minutes of September 25, 2024 Audit Committee Meeting

Mr. Clement asked if there were any questions or comments related to the minutes of the September 25, 2024 Committee meeting as submitted. There being no questions or comments,

Mr. Clement motioned to approve the minutes. Ms. Woo seconded the motion and the minutes were approved.

2. Finance Update

Ms. Chan provided an update on GASB Statement No. 101 which addresses reporting of earned compensation absences and is required to be implemented by NYCEDC for the June 30, 2025 financial statements. Ms. Chan noted that the standard does not have an impact to NYCEDC as the requirements of establishing a liability when earned by employees and using employee pay rate as of the financial statement date is already the Corporation's practice. Additionally, NYCEDC employees do not get paid out for sick days upon termination and are able to carry over, at most, ten vacation days at December 31st.

In response to a question about the liability at NYCEDC, Ms. Chan responded that NYCEDC has always established a liability due to the employees' vacation balances as of June 30th, noting the balance was approximately \$5.4 million as of June 30, 2024.

3. Internal Audit Activity Update

Mr. Katz presented an overview of the status of the FY25 Internal Audit Plan. Mr. Katz began by summarizing the status of ongoing internal audits and consulting projects, noting four projects currently in progress, three led by KPMG and one from FY24 led by CohnReznick. Mr. Katz stated that the Asset Tracking and Reporting audit has taken longer than anticipated, mainly as a result of the comprehensiveness of control testing as well as competing priorities of the business. Mr. Katz stated the ongoing projects were expected to be completed by the revised end dates presented.

In response to a question about the budget for contractor evaluation software, Ms. Pak replied that there is potential for the enhancement of existing software or the introduction of new software depending on the audit findings and if within budget. Mr. Katz added that a contractor evaluation tool exists within the Corporation but has not been used since 2019. Mr. Katz then reviewed the upcoming work for the remainder of the fiscal year.

Mr. Katz gave an update regarding open internal audit issues stating that there are 43 open issues, 26 issues pending validation, and 5 closed issues. Of all the open issues, the majority are within Asset Management and the Capital Programs, which is in line with the number of audits performed in those areas. Mr. Katz added that a majority of open issues are expected to be resolved within three to six months. Mr. Katz stated that the Audit Committee and NYCEDC leadership will be updated on the status of all open issues on a regular basis.

In response to a question about the FY2026 audit planning, Mr. Katz stated FY26 risk assessment will begin in April.

4. **Session with External Auditors**

There was no session with External Auditors.

5. **Session with Internal Audit**

There was no session with Internal Audit.

6. **Session with Management**

There was no session with Management.

7. **Adjournment**

The meeting was adjourned at 10:07 a.m.

DRAFT