

**MINUTES OF THE AUDIT COMMITTEE**  
**OF**  
**NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**  
**September 23, 2025**

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, September 23, 2025.

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

- Felix Ciampa
- Shanel Thomas
- James Prendamano

The following members of NYCEDC staff were present:

**Finance:**

- Jeanny Pak, CFO
- Spencer Hobson, EVP/Treasurer
- Amy Chan, Controller and the Agency’s Assistant Treasurer
- Leslie Escobar, Deputy Controller and the Agency’s Assistant Treasurer
- Carol Ann Butler, AVP and the Agency’s Financial Reporting Manager
- Wilson Gao, Senior Accountant/BuildNYC Resource Corporation Financial Reporting Manager

**Internal Audit (“IA”):**

- Jelicia Young, Senior Auditor

**Compliance:**

- Shin Mitsugi, SVP and the Agency’s Compliance Officer

**Strategic Investments Group (“SIG”):**

- Brinda Ganguly, EVP
- Emily Marcus, SVP
- Noah Schumer, VP

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

- Danielle Hurlburt, Managing Director
- Melissa Burke, Audit Manager

Ms. Thomas called the meeting to order at 9:11 a.m.

### **1. Approval of the Minutes of the May 20, 2025 Audit Committee Meeting**

Ms. Thomas motioned for the approval of the minutes for the May 20, 2025 Committee meeting. There being no questions, comments or objections, Mr. Prendamano motioned to approve the minutes. Ms. Thomas seconded the motion and the minutes were approved.

### **2. Finance Update – Annual Financial Statements and Investment Report – Management Discussion**

Ms. Chan opened by stating the Public Authorities Accountability Act (PAAA) require that management submit financials within 90 days of year end, then adding that the audit is substantially complete and a clean opinion is expected. She handed over to Ms. Escobar who presented the financial highlights for NYCIDA. She started with NYCIDA's income statement indicating that NYCIDA net position as of June 30, 2025 was \$24.5M which represents an increase of approximately \$1.3M when compared to prior year ending net position of \$ 23.2M. She explained that NYCIDA had a strong fiscal year and operating revenues totaled \$11.1M for FY25, an increase of \$4.7M over prior year. There were 20 closings in FY25 as compared to eight in the prior year. The increase in revenues was largely related to the closing of three larger transactions; Offshore Wind, Wintergreen Clean Energy and 850 Third Avenue which totaled \$5M. Operating expenses were \$5.2M, which is primarily the management fee of \$4.9M. She continued by stating this year there were 4 closings above the 16 closings threshold stated in the management agreement between NYCIDA and NYCEDC, which triggered the additional management fee of \$135K per additional closing above 16. This resulted in additional management fees of about \$0.5M over prior year. Non-operating expenses, net, totaled \$4.6M and special project costs were \$5.9M, which included costs for projects such as the Hunts Point Co-op Market and the Venture Access projects. These non-operating expenses were offset with \$1.3M of investment income. As a result, there was an increase in the Agency's net position of approximately \$1.3M.

She transitioned to the balance sheet outlining that NYCIDA's net position is primarily made up of unrestricted cash and investments of \$28.3M, offset with current liabilities. NYCIDA net position of \$24.5M is \$6.9M above the target net position level established by the NYCIDA Board of Directors; four times the annual fixed management fee or \$17.6M.

A breakdown of unrestricted cash equivalent and investment was provided highlighting total investments at year-end of \$24.6M: \$19.7M invested in U.S Agency Securities, \$4.8M in U.S Treasury and the remaining \$1M in Money Market Funds. She indicated that NYCIDA's investments are fully compliant with the investment allocation in the Board approved policy. She included that the information in the footnote is consistent with the information in the separate schedule of investments.

Finally, Ms. Escobar discussed the Fiduciary Statements outlining that the Agency collects PILOT pursuant to the lease agreements between the agency and its various leases on behalf of The City. These funds are remitted to The City upon request and NYCIDA is required to present these pass-through PILOT trust accounts as custodial funds in separate fiduciary financial statements. The custodial fund's total cash and cash equivalent reported on the balance sheet were \$0.8M representing the amount collected and payable to The City at year end. Liabilities, which are the PILOT payable, were \$0.8M, resulting in a net position of \$0. The Statements of Changes in Fiduciary Net Position showed total PILOT collected in FY25 of \$27.2M, recorded as additions, all of which will be remitted to The City, which was recorded as deductions, resulting in a zero impact to the Agency's fiduciary net position.

At this point Mr. Ciampa entered the meeting and resumed chairperson duties.

### **3. Finance Update – Annual Financial Statements and Investment Report – Management Discussion**

Ms. Hurlburt started her presentation by introducing Ms. Burke as a new member of the audit team. She provided a summary stating that an unmodified opinion on the financial statements and the schedule of investments will be issued. EY is wrapping up procedures by the end of the month. She noted that there are no findings to report, indicating that there are no misstatements and no material weaknesses identified. Ms. Hurlburt stated that there were a couple of open items such as performing subsequent event procedures and obtaining a letter of representation from management. She added that they will continue to conduct inquiries with management and other staff members surrounding fraud geared towards awareness of any instances of fraud and any risk of fraud. Based on the audit procedures conducted so far, she asserted that there is no indication of alleged or suspected fraud from a financial reporting standpoint.

Her presentation continued with an outline of the area of emphasis and a summary of the audit procedures for each area of emphasis. Required communications were discussed along with advancement in technology through artificial intelligence (AI) tools that EY used as part of the audit, the purpose of which was to enhance the audit quality and improve the audit experience for the audit team. In response to the question on whether the AI being used is on an open platform or a proprietary siloed program, Ms. Hurlburt answered that EY has

propriety developed audit tool with various client portals housed on the platform which has built in security measures to protect client's confidential information.

There being no further questions or comments, Mr. Ciampa motioned to approve the financial statements and investment report. Ms. Thomas seconded and the items were approved.

#### **4. Compliance Update**

Mr. Mitsugi provided an update on the Agency's Compliance activities. He stated that the Agency closed 20 transactions in FY 2025, a significant increase over the prior year, with momentous projects to be monitored by the Agency's Compliance team, such as the construction of an offshore wind terminal at the South Brooklyn Marine Terminal and the installation of electrical cables connecting offshore wind infrastructure to the city's power grid. Additionally, the Agency closed the first Manhattan Commercial Revitalization project. The Agency's Compliance staff members are keeping abreast of unique requirements stipulated in these transactions' documents. Finally, with the conclusion of this year's financial audit process, the Agency will be submitting its annual report to the Authorities Budget Office as required by the Public Authorities Reform Act of 2009.

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

A private session with EY was not held at this time.

#### **6. Session with Management**

A private session with Management was not held at this time.

#### **7. Session with Internal Audit**

A private session with Internal Audit was not held at this time.

#### **8. Other Business**

There was no other business.

#### **9. Adjournment**

There being no further business, the meeting was adjourned at 9:30 a.m.