



**Minutes
Audit Committee Meeting
September 27, 2016 at 9:00 am
City Hall
New York, New York 10007**

1. Meeting Called to Order; Quorum Noted

Committee Chair Kristine Ryan called the September 2016 meeting of the Audit Committee to order at approximately 9:05 and welcomed Commissioner Anne Roest, the new Board Chair, to the Committee, who now serves on the Audit Committee in her role as *ex officio* member. The Secretary read the roll and stated that a quorum was present consisting of, Chairperson Kristine Ryan and Anne Roest.

2. Approval of Minutes from Meeting on July 22, 2016

Upon motion duly made and seconded, the Minutes of the April 19, 2016 meeting of the Committee were unanimously adopted as follows:

RESOLVED, that the Board of Directors hereby approves the minutes of the Audit Committee meeting held on April 19, 2016.

3. Presentation of Fiscal Year 2016 Audited Financial Statements

The next item on the agenda was the presentation of the Fiscal Year 2016 Audited Financial Statements by Marks Paneth. Deputy Treasurer Robert Balducci circulated a document containing changes and edits by the auditors from the draft version in the members' packets. He then explained his role and reported that the new auditors, Marks Paneth, for the first time in the history of the Corporation, had made a finding: they had discovered that previous auditors had failed to account for accrued vacation time of TDC employees, which should be reported as liabilities of the Corporation since the accruals, amounting to \$160,000 in FY 2016, would have to be paid to employees should the TDC cease operation. The financial statements in the draft audit, therefore, reflect the accrued vacation time liability for 2015 and 2016.

Mr. Balducci then introduced Warren Ruppel, a partner in Marks Paneth, and Daniel McElwee, a member of its audit committee, who went through the required communications the auditor must make, which are, contained Tab 4 of

the Draft Audited Financial Statements. He also explained that the accrued vacation liability, although the amount is small, gets reported as a material weakness. In response to a question from Ms. Ryan concerning reporting the history of vacation accruals, Messrs. Balducci and Ruppel explained that the prior year was reflected in the report. Mr. Balducci also stated that he has already spoken to the Comptroller's office and discussed the finding with the Citywide Audit Committee.

Following the report and explanations, the Committee voted unanimously, upon motion duly made and seconded, to approve the following resolution:

WHEREAS, the Audit Committee of the NYC Technology Development Corporation (the "Corporation") has met with the independent auditor of the Corporation and has reviewed the independent auditor's report on the audited financial statements of the Corporation for the fiscal year ended June 30, 2016, and such financial statements, as submitted to the Committee; and

WHEREAS, the Audit Committee believes the independent auditor's report and the financial statement are reasonable and appropriate; it is therefore

RESOLVED, that the Audit Committee recommends to the Board of Directors the acceptance of the independent auditor's report and the authorization of the release of the audited financial statements of the Corporation for the fiscal year ended June 30, 2016, provided that both the independent auditor's report and the audited financial statements may be amended to reflect non-material changes acceptable to the Treasurer of the Corporation.

Upon motion duly made, seconded and adopted unanimously, the Chair adjourned the meeting at approximately 9:25 a.m.

Respectfully Submitted,



Secretary