



**AUDIT COMMITTEE OF THE CITY OF NEW YORK  
MINUTES OF THE AUDIT COMMITTEE MEETING  
WEDNESDAY, DECEMBER 10, 2025  
AT THE OFFICE OF THE COMPTROLLER  
AND REMOTELY VIA ZOOM MEETING**

**ATTENDANCE**

<b>Chair</b>	Michael Spitzer
<b>Private Members</b>	Mark Kaplan
<b>Public Members</b>	<b>Representing the Mayor</b> – Sara Wong <b>Representing the Comptroller</b> – Jacqueline Thompson <b>Representing the Public Advocate</b> – Matthew Carlin
<b>Secretary</b>	Katrina Stauffer
<b>Independent</b>	<b>Grant Thornton LLP</b> – Marla Hummel (via Zoom), Michael Ryan (via Zoom)
<b>Auditors</b>	<b>BDO LLP</b> – Ritesh Lall, Christina Poliseno <b>EisnerAmper LLP</b> – William Epstein, Ravika Shankar <b>Ernst &amp; Young</b> – Lou Roberts
<b>Others</b>	<b>New York City Economic Development Corporation, New York City Industrial Development Agency</b> – Amy Chan, Leslie Escobar, Spencer Hobson, <b>Brooklyn Public Library</b> – Karen Sheehan, Amadu Wagie <b>Queens Borough Public Library and Affiliate</b> – Vinel Liriano, Michael McLeod <b>New York City Office of Management &amp; Budget</b> – Man Hon Cheung <b>New York City Comptroller's Office</b> – Camille Arezzo, Nancy Cheung (via Zoom), Joshua Jean

## Audit Committee Meeting – December 10, 2025

### I. Call to Order and Roll Call

Mr. Michael Spitzer, the Audit Committee Chairman, called the Audit Committee Meeting to order at 9:30 a.m. Ms. Katrina Stauffer, the Audit Committee Secretary, took roll call; a quorum was present.

### II. Motion to Accept Minutes of the December 10, 2025 Meeting

The first agenda item was the approval of the draft minutes of November 20, 2025 Audit Committee Meeting. The Committee approved the minutes of November 20, 2025 Audit Committee Meeting subject to the non-substantive editorial comments submitted to the Secretary.

### III. Presentation of the Financial Statements and Management Letters

Next the Audit Committee reviewed the financial statements and management letters (where applicable) of the following entities for the fiscal year ending June 30, 2025.

- New York City Economic Development Corp
- New York City Industrial Development Agency
- Brooklyn Public Library
- Queens Borough Public Library

#### **New York City Economic Development Corp (EDC)**

Spencer Hobson, Treasurer for Economic Development Corp (EDC) and Industrial Development Agency (IDA), introduced Amy Chan, Controller and Leslie Escobar Assistant Controller of EDC, and the representatives of Ernst & Young, independent auditor of EDC and IDA.

Ms. Escobar presented highlights from EDC's financial statements ending June 30, 2025. EDC provided a variety of services to administer certain economic development programs on behalf of The City, including construction, financial assistance, and management, development, and promotion.

The income statement Operating revenues for fiscal year 2025 totaled \$1.102 billion, a 9% decrease of \$104.9 million. The decrease in operating revenues is largely due to the decrease in City reimbursable grants of \$95.2 million. Total grant revenue of \$822.4 million was a result of lower program costs for several construction projects as compared to prior year, including reductions of expenses incurred on behalf of the New York Public Library, HHC, and the Museum of Chinese in America. These decreases were partially offset by costs incurred for the DOH Public Health Lab, Manhattan Greenway and the Lower Manhattan Coastal Resiliency project. Property rental, lease revenues, and real estate sales were \$227.2 million and decreased by \$22.5 million, largely due to a one-time accounting gain recognized in fiscal year 2024. Fees and other income were \$53 million, an increase of \$12.8 million primarily due to the conversion option exercised at 5 Times Square and additional tenant reimbursements.

EDC's total expenses for fiscal year 2025 were \$1.176 billion. Project and program costs totaled \$827.8 million, a decrease of \$94.0 million as compared to prior year. Reimbursable program costs decreased primarily due to lower costs incurred for the capital projects referred to regarding reimbursable grants revenue. These reductions were offset by

increases in reimbursable City Tax Levy funded projects such as the 2026 World Cup. Property rentals and related expenses totaled \$123.1 million, an increase of \$22.3 million primarily due to expenses on the planned redevelopment of the Hunts Point Produce Market, professional services at the Brooklyn Marine Terminal and higher insurance costs across EDC properties. NYC Ferry related expenses totaled \$52.9 million, a decrease of \$2.3 million, due to increased ridership and federal grant funding. Personnel services totaled \$86.1 million. Contract and other expenses to The City and Other expenses remained fairly consistent with fiscal year 2024.

EDC's total revenue of \$1.18 billion and total expenses of \$1.17 billion resulted in an increase in net position of \$1.6 million during fiscal year 2025, and an end-of-year net position of \$713.9 million. EDC ended the year with total assets and deferred outflows of resources of \$3.68 billion. EDC's assets are primarily made up of cash and investments, capital assets which include ferry vessels, right to use asset for office space at One Liberty Plaza at present value, and receivables. The balance includes \$2.17 billion of future lease receivables recorded at present value for tenant leases. EDC ended the year with total liabilities and deferred inflows of resources of \$2.96 billion. Liabilities include accounts payable and accrued expenses, retainage payable, lease liability for One Liberty Plaza at present value, and the deferred inflows of resources of \$2.13 billion. EDC ended fiscal year 2025 with a net position of \$713.9 million.

The audit of EDC's fiscal year 2025 financial statements resulted in an unmodified opinion.

A question and answer session took place after the presentation. Several matters were discussed including:

- Mr. Kaplan asked what "Lower Concourse" meant. Present EDC staff were unable to confirm the exact location, but noted the location was in the Bronx.
- There was discussion of verbiage around communication of audit findings in the Report of Independent Auditors. EDC staff confirmed there were no audit findings.
- Regarding a question on professional services expenses at Brooklyn Marine Terminal, EDC staff confirmed the expenses were mostly for security and the salary for the operator.

### **New York City Industrial Development Agency (IDA)**

Operating revenues totaled \$11.1 million for fiscal year 2025, an increase of \$4.7 million from the prior year. In fiscal year 2025, there were 20 closings compared to 8 closings 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. Operating expenses were \$5.2 million, which consists primarily of the management fee. Non-Operating expenses totaled \$4.6 million. Special project costs were \$5.9 million. Non-operating expenses were offset with \$1.3 million of investment income. As a result, there was an increase in net position of approximately \$1.3 million for an ending net position of \$24.5 million. IDA's net position of \$24.5 million is primarily made up of unrestricted cash and investments of \$28.3 million, offset with current liabilities.

The audit of IDA's Fiscal Year 2025 financial statements resulted in an unmodified opinion.

A question and answer session took place after the presentation. Several matters were discussed including:

- Mr. Spitzer asked IDA to classify the 20 closings. They were all financing closings. "Special project costs" were related to IDA engaging EDC on a number of projects that were not within IDA's purview to administer, such as initiatives for startup tech company incubation and offshore wind power. The IDA will make contributions to EDC projects. Footnote 5 on page 24 of the audited financial statements lists active project commitments, approval dates by IDA's board of directors, and original and outstanding commitment balances. Mr. Spitzer noted that the special project expenses exceeded all other IDA expenses.
- EDC staff confirmed there were no IDA employees; all functions were maintained by EDC employees.

There being no further questions, the Chair thanked the representatives of Economic Development Corp and Industrial Development Agency for their participation at today's meeting.

### **Brooklyn Public Library (BPL)**

Karen Sheehan, Vice President for Finance and Administration at the Brooklyn Public Library, introduced Amadu Wagie, Vice President of Finance, and William Epstein and Ravika Shankar, representatives from EisnerAmper, independent auditor.

The Brooklyn Public Library was grateful for the support of the City of New York which enabled the library to provide community services throughout fiscal year 2025. BPL welcomed nearly 6 million visitors, circulated over 9 million items, hosted 27,000 programs, and 790,000 computer sessions. The library's advanced strategy to address long-standing facility needs included partnership with The City to manage capital grant projects directly. In fiscal year

2025, phase two of the Central Library renovation began. Once completed, the project will expand public space, including a new dedicated area for teens.

The auditors issued an unmodified opinion on BPL's consolidated financial statements for June 30, 2025. The library's total assets totaled \$246.6 million, an increase of \$19.7 million over fiscal year 2024. The increase was attributed to a \$4.3 million increase in cash on hand due to the timing of payments received from The City and State, and the scheduling of BPL's expenditures. Contributions, grants, and other receivables decreased by \$5.2 million because BPL received more funds from the grantors right before the end of fiscal year 2024, reducing amounts owed to BPL in 2025. Strong market performance increased investment value by \$3.2 million. There was a \$2.5 million increase in right-of-use assets, matched by a similar rise in lease liabilities. The increase reflected lease extension for Crown Heights and Sheepshead Bay branches.

Ongoing construction costs added \$2.7 million to fiscal year 2025 expenses. Borrowing decreased \$2.3 million which indicated a reduction in BPL's managed construction activity. Accounts payable and accrued liabilities increased by \$4.4 million due to the timing of payments and purchases. Accrued wages and accrued liabilities increased by \$1.6 million, partially due to higher end-of-the-year terminal leave balances for staff.

Income operating revenue for fiscal year 2025 totaled \$211.4 million which was \$13.5 million growth from fiscal year 2024, driven by \$12.9 million in City operating support following a significant budget reduction in fiscal year 2024. The return of the funds was essential for maintaining programs, staff, and services.

Operating expenses in fiscal year 2025 totaled \$205.8 million, up \$13.8 million due to increased hiring after the 2024 budget cuts no longer applied. Professional fees increased by \$1 million, and books and materials expenditures grew by \$800,000 from fiscal year 2024.

Fiscal year 2025 was characterized by sound financial management, strategic investments in facilities and staff, and continued focused on meeting the needs of Brooklyn communities. BPL remained committed to transparency and responsible stewardship.

A question and answer session took place after the presentation. Several matters were discussed including:

- Mr. Kaplan commented that restricting the dissemination of the auditor's opinion was not tolerated by the Audit Committee. It was not acceptable for public institutions to restrict information. Ms. Sheehan reassured the Committee it was not BPL's intent to restrict information and the language in the financial report will be fixed.
- Mr. Epstein explained that the System and Organization Controls report was an audit report on internal controls from the IT service vendors. Mr. Spitzer would like a copy for the Audit Committee's records. Ms. Sheehan confirmed that BPL had the utmost concern about the security of personal information. It kept very little information about its card holders. Employee and card holder information was subjected to the same level of scrutiny.
- The public advocate represented the Queens Library Board of Trustees and recused themselves on the matter.

There being no further questions, the Chair thanked the representatives of the Brooklyn Public Library for their participation at today's meeting.

**Queens Borough Public Library and Affiliate (QBPLA)**

Mr. Michael McLeod, CFO of the Queens Borough Public Library, introduced the other representatives of QBPLA present and the representatives of BDO, independent auditors of QBPLA.

QBPLA proudly employed 1,485 individuals with more than 85% residing in the five boroughs. As of June 30, 2025, there were 1.7 million card holders, nearly 3.8 million collection items, which was after spending another \$9 million to supplement the existing library collection. New library card registrations increased by 11,000 for a total of 115,000 for fiscal year 2025. Circulation increased by 2.2 million to 10.9 million volumes. Total library users in and out of the 66 library branches approached 6.6 million, which was up about a quarter-million from fiscal year 2024. There were nearly one million computer sessions and one million program attendees. Public wi-fi sessions increased 51% from fiscal year 2024 to fiscal year 2025. The language line provided translations services in 44 languages at 61 of 66 locations.

With the restoration of funds in 2025, the library restored/started Sunday service at three branches, including the recently reopened Far Rockaway branch. A new 15-year lease has been signed for the Court Square branch which will reopen after renovation. The Carnegie Corporation of New York gave the branches \$4 million, of which \$1.2million went to QBPLA to support English language learners and literacy services among immigrants. The Broadway, Hillcrest, Bay Terrace and Laurelton branches reopened this year. The board approved a new five-year strategic plan and there was groundbreaking on the 4,600 square foot addition to the Arverne branch. Queens Borough Public Library was named the 46th best out of 500 mid-sized employers in the United States by Forbes Magazine in its 2025 rankings. Notably, the Library of Congress was the only other public library to make the list.

The auditors had a clean opinion of QBPLA's financial statements with no findings or deficiencies. The statement of financial position was healthy, but it was described as fragile due to the annual challenges of finding funding for services like security, training, and seven-day services. The healthy position was attributed to an increased budget in 2025 and improved investment performance. Net assets declined slightly from FY24 because the library chose to use reserves to fund the programs needed. Expenses exceeded revenue by \$3 million.

QBPLA was grateful to The City for providing 90% of its revenue. In fiscal year 2025, operating revenue totaled nearly \$208 million, roughly a \$10 million change from fiscal year 2024 due to the restoration of funding sources lost in 2024. The biggest expense growth was in wages and fringe benefits, which was 62% of the library's budget.

A question and answer session took place after the presentation. Several matters were discussed including:

- QBPLA confirmed for Mr. Spitzer that all liabilities were settled. QBPLA enjoyed tremendous support from the community. Mr. Spitzer applauded their efforts to overcome challenges.
- Mr. Spitzer asked why classifying QBPLA as a component unit of The City was mentioned at the end of the report and not in the first note. QBPLA will review and move the note.
- Mr. Kaplan said many institutions insured or collateralized deposits and do not rely on periodic checks. He asked why there was a policy of not protecting deposits. QPL was grateful for the recommendation and will look into it.

- QBPLA had several projects that were not recorded in their financial statements because they were funded through New York City Capital and DDC. Any discrepancies about constructions costs were related to the timing of payments and reporting.
- There was no management letter for QBPLA for fiscal year 2025.

There being no further questions, the Chair thanked the representatives of Queens Borough Public Library for their participation at today's meeting.

#### **IV. Adjourn**

There being no further business before the Committee, the Chair made a motion to adjourn the December 10, 2025 Audit Committee Meeting; the motion was unanimously approved. The Chair wished everyone a good holiday season, and a happy and healthy new year.