

THE TRUST FOR CULTURAL RESOURCES
OF THE CITY OF NEW YORK

MINUTES OF MEETING
OF THE AUDIT COMMITTEE

March 25, 2021

A meeting of the Audit Committee of The Trust for Cultural Resources of The City of New York (the “Trust”) was held on March 25, 2021 at 3:00 p.m. by Zoom conference, which permitted each person who participated to hear and be heard by all others who participated in the meeting.

Lynne B. Sagalyn, Leah C. Johnson, Erika Mallin and Dawanna Williams, who are all of the members of the Audit Committee, participated in the meeting. Ms. Sagalyn, Chair of the Audit Committee, presided.

In addition, the following persons were also present:

Douglas Zimmerman	EFPR Group LLP
Brent Jensen	EFPR Group LLP
Amy Chan	New York City Economic Development Corporation
Leslie Escobar	New York City Economic Development Corporation
Carol Ann Butler	New York City Economic Development Corporation
Anne Adams Rabbino	Secretary of the Board of Trustees
B. Seth Bryant	Assistant Secretary of the Board of Trustees

The meeting was called to order at 3:06 p.m. by Ms. Sagalyn.

After introducing Leslie Escobar, the newly hired Deputy Controller of the New York City Economic Development Corporation, Ms. Chan made a presentation on behalf of management regarding the Draft Financial Statements and Supplementary Information as of December 31, 2020. Ms. Chan stated that EFPR’s opinion is an un-modified opinion and that the audit process went smoothly, notwithstanding the difficulties caused by COVID 19, in part due to EFPR’s familiarity with the Trust from its prior engagement. She outlined the reasons for the changes in the Trust’s income statement and balance sheet in 2020 when compared to the prior year. As in prior years, the changes are driven by changes (1) in the amount owed by the Trust to The Museum of Modern Art (“MoMA”), which in turn is driven by the rate of interest on 3-year Treasury notes in effect on July 1 each year, (2) in the amount of tax equivalency payments (“TEPs”) collected by the Trust from the owners of condominium units in the Museum Tower Condominium located above a portion of MoMA’s facility, which in turn is driven by the assessed value of the units and the tax rate charged by The City of New York (the “City”) each year, and (3) the amount of PILOT (Payments in Lieu of Taxes) paid by the Trust to the City,

which in turn is driven by the amount of TEPs that the Trust is entitled to collect. Because the Trust is liable to MoMA only to the extent that are available for the purpose of satisfying such obligation, the increase in the amount owed to MoMA does not present a concern for the Trust.

Mr. Zimmerman, as the partner of EFPR in charge of the engagement with the Trust, referred to the four documents prepared by EFPR. The Report to the Board, which is a required communication under auditing standards, contains no discussion of any issues, and no action is required by the Audit Committee. He confirmed that EFPR's opinion on the Trust's financial statements is an unmodified opinion. Mr. Zimmerman also referred to the reports on Compliance with Contractual Provisions with Debt Agreements, which address only those transactions for which the Resolution adopted by the Trust with respect to a particular issue of bonds requires an annual review. There were no findings or exceptions noted within any of the four reports.

Mr. Jensen, as the audit manager for EFPR's engagement with the Trust, reiterated that the reports on Agreed Upon Procedures showed no discrepancies in the balances reported by the Trust. He confirmed that the audit proceeded with no significant difficulties. Mr. Jensen also reported on EFPR's review of the Trust's internal controls over financial reporting in accordance with Government Auditing Standards. No matters of concern were identified, and no control deficiencies were disclosed. After the management representation letter is signed and subsequent event confirmations are received, EFPR will issue the final reports.

Ms. Chan discussed the Trust's evaluation of its internal control. In addition to EFPR's evaluation, the Internal Audit Department of EDC conducted a limited review for the purpose of examining the performance of EDC's responsibilities under the contract between the Trust and EDC, which did not identify any exceptions or findings. Management believes that all internal controls are operating effectively, and the assessment of internal controls distributed in advance of the meeting will be published on the Trust's website for the purpose of demonstrating that the Trust has procedures to ensure that review of its internal controls is undertaken annually and that these procedures are adequate.

Mr. Zimmerman confirmed that EFPR had no further matters to discuss with the Audit Committee and assured the Committee that, if he had any concerns that required discussion, he would communicate that very clearly to the Committee.

Ms. Rabbino referred to the minutes of the meeting of the Audit Committee on December 10, 2020, which had been distributed to the Committee in advance of the meeting and which had previously been reviewed by Ms. Sagalyn.

After an opportunity for questions and comments and review of the proposed resolutions, Ms. Williams moved and Ms. Johnson seconded the following resolutions, which were unanimously adopted:

RESOLVED, that the minutes of the meeting of the Audit Committee of the Board of Trustees of The Trust for Cultural Resources

of The City of New York (the “Trust”) held on December 10, 2020, be and hereby are approved; and be it further

RESOLVED, that the Audit Committee of the Trust hereby approves the Independent Auditors’ Report on the Trust’s Basic Financial Statements for the years ended December 31, 2020 and 2019, prepared by EFPR Group, Certified Public Accountants, LLP, and recommends the approval thereof by the Board of Trustees of the Trust; and be it further

RESOLVED, that the Audit Committee of the Trust hereby approves the Reports on Compliance with Contractual Provisions of Debt Agreements for the year ended December 31, 2020, prepared by EFPR Group, Certified Public Accountants, LLP, and recommends the approval thereof by the Board of Trustees of the Trust; and be it further

RESOLVED, that the Audit Committee of the Trust hereby approves the Report on Agreed-Upon Procedures of the Trust for the year ended December 31, 2020, prepared by EFPR Group, Certified Public Accountants, LLP, and recommends the approval thereof by the Board of Trustees of the Trust; and be it further

RESOLVED, that the Audit Committee of the Trust hereby approves the Assessment of Internal Control Structure and Procedures for the Trust during the year ending December 31, 2020 and recommends the approval thereof by the Board of Trustees of the Trust.

There being no further business to come before the meeting, the meeting was adjourned at 3:29 p.m.

Respectfully submitted,

Anne Adams Rabbino
Secretary