

THE TRUST FOR CULTURAL RESOURCES
OF THE CITY OF NEW YORK

MINUTES OF MEETING
OF THE AUDIT COMMITTEE

December 10, 2020

A meeting of the Audit Committee of The Trust for Cultural Resources of The City of New York (the "Trust") was held on December 10, 2020 at 4:00 p.m. through Zoom, a service that permits all participants in a meeting to hear and see all other participants in the meeting.

Lynne B. Sagalyn, Leah C. Johnson, Erika Mallin and Dawanna Williams attended the meeting. Ms. Sagalyn, Chair of the Audit Committee, presided.

In addition, the following persons also participated:

Douglas Zimmerman	EFPR Group LLP
Brent Jensen	EFPR Group LLP
Amy Chan	New York City Economic Development Corporation
Carol Ann Butler	New York City Economic Development Corporation
Anne Adams Rabbino	Secretary of the Board of Trustees

Mr. Zimmerman reported that he, as the partner in charge of the engagement, and Brent Jensen, as the audit manager, will be working on the Trust's audit, with the independent report reviewer, Mr. Joseph Klimek. Mr. Zimmerman and Mr. Jensen discussed the scope of EFPR's services, management's responsibilities, the objectives of EFPR's engagement, and the planned scope of the audit as well as the overall audit approach process necessary in order for EFPR to express an opinion on financial statements that are reasonably free of material mis-statements.

Mr. Zimmerman also reviewed EFPR's assessment of GASB Statements for their potential impact on the audit for 2020 and on the audits for future years. Some of the GASB Statements previously issued have been deferred in recognition of COVID-19. GASB Statement No. 84, Fiduciary Activities, will be effective for 2020 audits, but it is not applicable to the Trust's operations. GASB Statement 91, Conduit Debt Obligations, and GASB Statement No. 87, Leases, will now be effective for the 2022 audit.

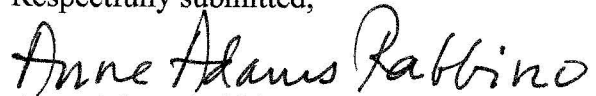
Ms. Chan presented a proposed schedule of specific milestones that will lead to drafts of the financial statements and the other reports prepared by EFPR being distributed to the Audit Committee not later than March 19, 2021. The Audit Committee agreed to plan to meet at 3:00 p.m. on Thursday, March 25. The meeting of the Board of Trustees will take place that day at 4:00 p.m. It is anticipated that both meetings will take place virtually due to COVID-19.

Ms. Rabbino reported regarding an unusual level of delinquencies in the payment of Tax Equivalency Payments, or TEPs, by owners of condominium units in the Museum Tower. EDC

has sent follow-up communications to the delinquent owners, many of whom were not living in the Museum Tower when the regular bills were sent in July. The Trust's enabling legislation establishes the rate of interest on delinquent amounts at 18%, which many owners thought should not be imposed due to COVID-19. The Trust does not have the authority under the enabling legislation to waive or reduce these charges, and eventually even the most irate owners accept that. To the extent that delinquencies result in the Trust not having adequate funds (i) to make the full payment due to the City as a Payment in Lieu of Taxes, which is calculated on the basis of the amount of TEPs billed, not on the amount collected, (ii) to pay the administrative costs incurred by EDC, and (iii) to pay the principal and interest due to holders of the Trust's TEP bonds, The Museum of Modern Art must provide the shortfall. Until the year 2000, the Museum regularly made such payments due to shortfalls in TEPs. The current staff at the Museum was also working on these issues in the earlier period.

There being no further business to come before the meeting, the meeting was adjourned at 5:00 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Anne Adams Rabbino". The signature is written in dark ink and is positioned above the printed name and title.

Anne Adams Rabbino

Secretary