

THE TRUST FOR CULTURAL RESOURCES  
OF THE CITY OF NEW YORK

MINUTES OF MEETING  
OF THE AUDIT COMMITTEE

March 28, 2023

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A meeting of the Audit Committee of The Trust for Cultural Resources of The City of New York (the “Trust”) was held on March 28, 2023 at 2:30 p.m. at the offices of Orrick, Herrington & Sutcliffe LLP located at 51 West 52nd Street, 23rd Floor, with a Zoom link provided, which permitted each person who participated remotely 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:

Doug Zimmerman	EFPR Group LLP
Amy Chan	New York City Economic Development Corporation
Carol Ann Butler	New York City Economic Development Corporation
Leslie Escobar	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
Helen Pennock	Attorney, Orrick, Herrington & Sutcliffe LLP
Goldie Bryant	Attorney, Bryant Rabbino LLP

The meeting was called to order at 2:30 p.m. by Ms. Sagalyn.

The minutes of the Audit Committees meeting on December 13, 2022 were reviewed. The following resolution was then moved, seconded and 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 13, 2022, be and hereby are approved.

Ms. Chan reported that the audit of the Trust’s financial statements is substantially complete. An unmodified opinion or clean opinion from EFPR is anticipated and no significant deficiencies or material weaknesses in internal controls were identified as a result of the audit. Ms. Chan asked Ms. Escobar, the Deputy Controller of the New York City Economic Development Corporation, to present the Draft Financial Statements and Supplementary Information as of December 31, 2022 on behalf of management. Ms. Escobar explained the changes in the Trust’s income statement and balance sheet in 2022 as compared to the prior year. The decrease of \$0.9

million in the Trust's net deficit during the year from \$179.3 million to \$178.32 million was primarily attributable to operating income of \$0.9 million earned in 2022.

Ms. Williams inquired about the decrease in the assessed values of the condominium units subject to Tax Equivalency Payments ("TEPs") and the associated decrease in revenues from TEPS. The Committee discussed the reasons for the decrease and the impact on the Trust.

Mr. Zimmerman, the partner of EFPR in charge of the engagement with the Trust, referred to the four documents prepared by EFPR. Mr. Zimmerman stated that there were no findings or exceptions noted within any of the reports prepared by EFPR.

The Report to the Board, which includes the required communications to those charged with governance under the auditing standards, contains no discussion of any issues, and no action is required by the Audit Committee. Mr. Zimmerman noted that the Trust is in compliance with GASB Statement No. 91, Conduit Debt Obligations, for the accounting and disclosure of conduit debt obligations. He confirmed that EFPR's opinion on the Trust's basic financial statements is an unmodified opinion.

Mr. Zimmerman confirmed that the audit proceeded with no deviations from the audit plan. The Trust's records are kept in accordance with professional standards. The staff prepares all of the records for review on a timely basis and otherwise in a manner that enables EFPR to conduct its audit. Mr. Zimmerman 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. Mr. Zimmerman also reported on EFPR's review of the Trust's compliance with contractual provisions of debt agreements. No matters of concern were identified. Mr. Zimmerman also reported on EFPR's review of the application of agreed-upon procedures and indicated that EFPR would issue a clean opinion.

During Mr. Zimmerman's review of EFPR's reports, the group discussed the recent bank failures and related concerns regarding the potential impact on the Trust.

State law requires TCR management to certify annually that an assessment of internal controls has been made. Based on the assessments of EFPR and EDC's Internal Audit Department, Ms. Chan stated that management believes that the Trust's overall system of internal controls was effective during the year ending December 31, 2022.

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

**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, 2022 and 2021, 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, 2022, 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, 2022, 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, 2022 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 3:05 p.m.

Respectfully submitted,

Anne Adams Rabbino  
Secretary