THE TRUST FOR CULTURAL RESOURCES
OF THE CITY OF NEW YORK

MINUTES OF MEETING
OF THE AUDIT COMMITTEE

March 26, 2025

A meeting of the Audit Committee of The Trust for Cultural Resources of The City of New York (the "Trust") was held on March 26, 2025 at 3:00 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 Trustee who participated remotely to hear and be heard by all others who participated in the meeting.

Lynne B. Sagalyn, Leah C. Johnson 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:

Brent Jensen	EFPR Group, CPAs, PLLC
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
Eric Katz	New York City Economic Development Corporation
Anne Adams Rabbino	Secretary of the Board of Trustees
Eileen Heitzler	Attorney, Orrick, Herrington & Sutcliffe LLP
Goldie Bryant	Assistant Secretary of the Board of Trustees

The meeting was called to order at 3:02 p.m. by Ms. Sagalyn.

The minutes of the Audit Committees meeting on August 12, 2024 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 August 12, 2024, 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 Group, CPAs, PLLC ("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 ("EDC") and an Assistant Treasurer of the Trust, to present the Draft Financial Statements and Supplementary Information as of December 31, 2024 on behalf of management. Ms. Escobar explained the changes in the Trust's income statement and

balance sheet in 2024 as compared to the prior year. The increase of $2.3 million in the Trust's net deficit during the year from $179.9 million to $182.2 million was primarily attributable to increased operating expenses. Operating revenues increased by approximately $296,000 primarily due to an increase in Tax Equivalency Payments (TEPs), which was due to an increase in assessed property values from $69.3 million to $69.5 million. Operating expenses increased by approximately $1.1 million due to the increase in the annual interest rate on the amount payable by the Trust to The Museum of Modern Art ("MoMA") from 4.56% to 4.58%, which was partially offset by the decrease in depreciation expenses as the MoMA building was fully depreciated in 2023. Current assets decreased by approximately $203,000 due to the decrease in the amounts outstanding in the accounts receivable for TEPs at year-end. Noncurrent assets decreased by approximately $178,000 primarily due to the increase in the PILOT payment as a result of the increase in assessed values. Current liabilities decreased by approximately $141,000 as a result of the timing of payments made to vendors and cultural institutions. Noncurrent liabilities increased approximately $2 million due to the increase in the annual interest rate on the MoMA payable. The group briefly discussed the future payments to MoMA.

Mr. Jensen, a partner of EFPR, referred to the four documents prepared by EFPR. Mr. Jensen 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. He confirmed that EFPR's opinion on the Trust's basic financial statements is an unmodified opinion.

Mr. Jensen 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. Jensen 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. Jensen also reported on EFPR's review of the Trust's compliance with certain provisions of laws, regulations, contracts and grant agreements. No matters of concern were identified. Mr. Jensen then reported on EFPR's review of the application of agreed-upon procedures and stated that EFPR examined and confirmed amounts held in all of the Trust's accounts that were created pursuant to the Trust's bond resolutions.

Mr. Katz from EDC's internal audit department discussed the annual review of the internal controls implemented by the EDC Accounting Department related to the amended and restated agreement between EDC and the Trust for administrative and accounting services. The review was conducted by KPMG under the supervision of EDC's internal audit department, and was limited in scope, as approved by the TCR Audit Committee on August 12, 2024. KPMG's assessment noted no exceptions related to the internal controls over accounting and financial reporting performed by the EDC Accounting Department.

State law requires that management of the Trust certify annually that an assessment of internal controls has been made. Based on the assessment by KPMG of the Trust's internal controls and of EDC's internal controls, as well as the report on EFPR's review, Mr. Katz stated that management believes that the Trust's overall system of internal controls was effective during the year ending December 31, 2024.

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, 2024 and 2023, prepared by EFPR Group, CPAs, PLLC, 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, 2024, prepared by EFPR Group, CPAs, PLLC, 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, 2024, prepared by EFPR Group, CPAs, PLLC, 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, 2024 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 3:19 p.m.

Respectfully submitted,

Anne Adams Rabbino

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Secretary