



NYC Neighborhood Capital Corporation
Minutes of the Meeting of the Audit Committee
September 24, 2018

A meeting of the Audit Committee of NYC Neighborhood Capital Corporation (NYCNCC) was held on Monday, September 24, 2018 at 12 p.m. at the New York City Economic Development Corporation (NYCEDC), at 110 William Street, Conference Room 4C, New York, NY 10038.

The following Audit Committee members were present:

Sara Tranter
Senior Vice President, NYCEDC

Elizabeth Verostek
Senior Vice President, NYCEDC

Jervonne Singletary
Vice President, NYCEDC

Also present were the following members of NYCEDC:

Christine Robinson
Senior Accountant, NYCEDC

Spencer Hobson
Executive Vice President, NYCEDC

Raafat Osman
Deputy Controller, NYCEDC

Kim Vaccari
Executive Vice President, NYCEDC

Mac Thayer
Assistant Vice President, NYCEDC

David Price
Senior Vice President, NYCEDC

Also present (by phone) were the following members of Novogradac & Company, LLP:

Elaine Chang
Principal, Novogradac

Narrative:

A quorum of the Audit Committee members being present, Ms. Verostek convened the meeting of the Audit Committee of NYCNCC at 12:05 pm.

Ms. Verostek brought up the first item for consideration, which was approval of the minutes from the previous Audit Committee meeting held on July 12, 2018. Ms. Verostek asked for a motion to approve the minutes of the July 12, 2018 meeting. The motion to approve the minutes of the July 12, 2018 meeting was made by Ms. Verostek, seconded by Ms. Singletary, and unanimously carried with no abstentions or recusals.

Ms. Verostek brought up the second item, which was the Presentation of the Annual Financial Statements of the four Sub-CDEs by the Finance Team and the Auditors.

Mr. Osman gave a presentation covering the Annual Financial Statements of the NYCNCC Sub-CDEs. Ms. Verostek asked if the consulting fees were solely for UFA, and also how long the contract term was with UFA. Mr. Osman answered that the fees were for UFA (and represented a percentage of the transaction value), and that the asset management component of the contract would cover the seven years of the compliance period. Mr. Thayer stated that he would check the language of the asset management provision of the consultant contract to confirm.

Mr. Hobson asked if there were any additional insights from the Auditors. Ms. Chang commented that the audit process was very simple, and that Ms. Robinson and Mr. Osman were very helpful in performing it. Ms. Chang noted that she did not discover any errors or omissions during the audit process. Ms. Chang also made a comment that she would like to include supplemental schedules with the financial statements that would allow the operating revenues and expenses to be shown as attributable to the Sub-CDE entities. Ms. Chang indicated that she and Ms. Robinson had spoken about this topic previously, and Ms. Chang offered to send them over to Ms. Robinson for inclusion with the financial statements. Mr. Hobson agreed. Mr. Osman noted that since the schedules were helpful, but not yet available, he recommended that the committee accept and approve the financial statements as presented, with the caveat that the additional supplemental schedules would be included with the documentation.

Ms. Singletary asked for clarification about the Investment Activities listed in the financial statements. Mr. Osman replied that these were the investments of the Sub-CDEs entities, per their ownership interest in the NMTC transactions.

Ms. Verostek made a motion that the Audit Committee accept the FY2018 Audit performed by Novogradac and to move forward for approval of the Audit by the full board. The motion to approve the FY2018 Audit was seconded by Ms. Tranter, and unanimously carried with no abstentions or recusals.

Ms. Verostek thanked Ms. Robinson for all of her work on the NYCNCC financial statements, including coordinating with the Audit Committee.

There being no further business to discuss, Ms. Verostek made a motion to adjourn the meeting, which was seconded by Ms. Tranter, and the motion was adopted.

The meeting was adjourned at 12:30pm.