

**UNITED NATIONS DEVELOPMENT CORPORATION**

**Minutes of a Meeting of the  
Audit Committee**

**Held at 535 Madison Avenue, 35<sup>th</sup> Floor  
New York, New York**

**(Via Telephone Conference)**

**On September 13, 2017 at 11:00 a.m.**

All of the members of the Audit Committee participated as follows: George Klein, Chairman; Jessica Healy; and Thomas Gulotta (by phone). The following were also present: Robert Cole, Jorge Ortiz and Loida Diaz de Jesus (UNDC); and Warren Ruppel (Marks Paneth LLP).

The Chairman presided and Loida Diaz de Jesus acted as secretary for the meeting. The Chairman called the meeting to order at 11:00 a.m.

*Minutes of Audit Committee Meeting of March 16, 2017*

The Chairman asked the Committee to consider the minutes of the Audit Committee meeting held on March 16, 2017, in the form previously provided to the Committee. On motion made and seconded, the minutes of the March 16, 2017 meeting were unanimously approved as previously provided.

*Review of the Corporation's IRS Form 990 for 2016*

Mr. Ruppel reviewed the Corporation's draft IRS Form 990 for 2016, in the form previously provided to the Committee. After discussion, the Committee approved the IRS Form 990 for 2016 and recommended Board approval at the September 27 Board meeting.

Pre-Audit Presentation for Fiscal Year 2017

Mr. Ruppel reviewed his firm's Annual Pre-Audit Presentation for the 2017 audit. He advised that audit field work was scheduled during February 2018, followed by the issuance of an audit report in March 2018, after review with the Audit Committee and the Board.

Mr. Ruppel discussed sections of the Pre-Audit Presentation regarding knowledge of fraud, fraud risks, whistleblower reporting, document retention/destruction, conflicts of interest, nepotism and corporate governance. Mr. Ruppel asked whether any member of the Audit Committee had any concerns relating to these matters, and none were raised.

Mr. Ruppel advised that the 2017 audit fee would be \$47,750, including field work by MBE-firm Wei, Wei & Co. under his direction. The Audit Committee approved the Marks Paneth 2017 audit engagement letter and authorized its signature by Mr. Cole on behalf of the Corporation.

Other Business

There being no other business, the meeting adjourned at 11:45 a.m.



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Loida Diaz de Jesus  
Acting Secretary

# UNITED NATIONS DEVELOPMENT CORPORATION

## Minutes of a Meeting of the Audit Committee

Held at 535 Madison Avenue, 35<sup>th</sup> Floor  
New York, New York

On March 16, 2017 at 11:45 a.m.

The following members of the Committee, constituting a quorum, attended the meeting: George Klein, Chairman and Thomas Gulotta. The following persons were also present: Amabel James (UNDC Board member), Robert Cole, Jorge Ortiz, and Loida Diaz de Jesus (UNDC); and Warren Ruppel and Daniel McElwee (Marks Paneth LLP).

Loida Diaz de Jesus acted as secretary for the meeting. Mr. Klein called the meeting to order at 11:45 a.m.

### Minutes of the Meeting of September 14, 2016

The Chairman asked the Committee to consider the minutes of the Audit Committee meeting of September 14, 2016, in the form previously circulated. On motion made and seconded, the minutes of the September 14, 2016 Audit Committee meeting were unanimously approved as previously circulated.

### Review of 2016 Financial Statements and Reports


Mr. Ruppel reviewed the Marks Paneth Annual Audit Presentation for the year ended December 31, 2016. He reported that his firm expected to issue an unqualified opinion on the Corporation's 2016 financial statements ("2016 Financial Statements"). Mr. Ruppel noted that there were no disagreements with the Corporation's management, that the Corporation's management and staff fully cooperated with Marks Paneth during the audit,

and that Marks Paneth did not detect any fraud or likely illegal acts, conflicts of interest or other governance issues.

Mr. Ruppel reviewed the 2016 Financial Statements with the Audit Committee and Mr. Cole advised that the Board would be asked to consider and approve the 2016 Financial Statements at the Board meeting on March 28, 2017. Mr. Cole reported that management recommended Board approval at the March 28 annual meeting of a reserve for 2016 equal to \$2,078,883, representing amounts that would otherwise constitute Consolidated Surplus for 2016 under the City Leases. He advised that the reserve, if approved, would be available to pay costs in accordance with capital budgets approved by the Board for capital improvement projects at One and Two UN Plaza. Mr. Cole noted that the 2016 Financial Statements reflected the establishment of a reserve of \$2,078,883 for that purpose. Following discussion, the Audit Committee concurred with Mr. Cole's recommendation to establish the reserve in this amount. The Chairman stated that the 2016 Financial Statements would be revised if the Board decided not to approve the establishment of a reserve for 2016 of \$2,078,883.

Other Business

There being no other business, the meeting adjourned at 12:30 p.m.

  
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Loida Diaz de Jesus  
Acting Secretary