

## UNITED NATIONS DEVELOPMENT CORPORATION

### Minutes of a Meeting of the Audit Committee

Held via Zoom video

On March 16, 2021, at 1:00 p.m.

All members of the Audit Committee attended the meeting: George Klein, Chairman, Robert Abrams and Jessica Healy. The following persons also attended the meeting: Robert Cole, Jorge Ortiz and Loida Diaz de Jesus (UNDC); and Warren Ruppel and Daniel McElwee (Marks Paneth LLP).

The Chairman presided and Loida Diaz de Jesus acted as secretary of the meeting. The Chairman called the meeting to order at 1:00 p.m.

#### Minutes of Audit Committee Meeting of September 9, 2020

The Chairman asked the Committee to approve the minutes of the Audit Committee meeting of September 9, 2020. After discussion and on motion made and seconded, the minutes of the meeting of September 9, 2020 meeting were unanimously approved.

#### Audit Presentation for 2020

Mr. Ruppel reviewed the Marks Paneth Audit Presentation for 2020. He reported that his firm would issue an unqualified opinion on its audit of the Corporation's 2020 financial statements. Mr. Ruppel stated that management cooperated fully during the audit with no disagreements. Mr. Ruppel advised that no fraud, likely illegal acts, conflicts of interest or other governance issues were found and there were no management letter comments.

Mr. Ruppel asked Committee members if they were aware of any fraud or likely illegal acts, conflicts of interest or other possible governance issues. The Committee members were not aware of any such issues.


The Committee discussed the Corporation's accounts receivable and allowance for doubtful accounts amounts as of December 31, 2020. Given the past and ongoing payment issues relating to the Hotel operator for common operating expenses at Two UN Plaza, management will increase the allowance for doubtful accounts as stated in the draft 2020 financial statements.

Mr. Cole reported that the draft 2020 financial statements reflected the establishment of a reserve of \$12,453,903, representing the amount that would otherwise constitute Consolidated Surplus for 2020 under the City Leases. He advised that the reserve, if approved by the Board at the March 25 meeting, would be available to pay costs related to capital improvements projects at One and Two UN Plaza, in accordance with capital budgets approved by the Board, UN lease extensions at One and Two UN Plaza, including funding for tenant work, or other corporate purposes.

Following discussion, the Committee agreed with management's recommendation to establish a reserve for 2020 in the amount of \$12,453,903. Mr. Cole advised that the 2020 financial statements would be revised should the Board decide not to establish this reserve or if circumstances changed before the Board meeting.

Other Business

There being no other business, the meeting was adjourned at 2:10 p.m.

  
Loida Diaz de Jesus  
Acting Secretary