

SALES TAX ASSET RECEIVABLE CORPORATION

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

April 28, 2016

A meeting of the Audit Committee (the “Committee”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2016 at approximately 3:18 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following members of the Committee were represented by their alternates:

Dean Fuleihan, Director of Management and Budget of The City of New York (the “City”), represented by Alan Anders;

Scott M. Stringer, Comptroller of the City, represented by Michael Stern;

Melissa Mark-Viverito, Speaker of the City Council, represented by Raymond Majewski; and

Mindy Tarlow, Director of the Mayor’s Office of Operations, represented by George Davis, III;

constituting a quorum of the Committee. Charlotte T. Borroughs served as secretary of the meeting.

Also in attendance were members of the public, officers of the Corporation and employees of various agencies of the City.

The meeting was called to order by Mr. Stern, Chair of the Committee.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on September 11, 2015. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved:

WHEREAS, the Audit Committee of the Sales Tax Asset Receivable Corporation has reviewed the minutes of the Audit Committee meeting held on September 11, 2015; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 11, 2015 be, and they hereby are, approved.

Acceptance of Annual Agency Financial Integrity Compliance Statement

The second item on the agenda was the review of the Corporation's annual Financial Integrity Statement, a copy of which had been provided to the Committee members. Mr. Stern explained that City Comptroller's Directive 22 requires that the Committee review such Statement. Robert Balducci, the Deputy Comptroller, explained that there was a slight minor change made to the Checklist. Mr. Davis inquired about data classification and other matters. A brief discussion ensued.

Self-Evaluation and Review of Annual Report of the Audit Committee

The third item on the agenda was the annual self-evaluation and review of the Annual Report of the Committee. A motion was made and seconded to enter into discussion of the proposed resolution. Mr. Stern noted that a list of the Committee's actions in calendar year 2015 was in the materials provided to the Committee members and would be sent to the Office of the Comptroller of the City. The Resolution expresses that the Committee is functioning

satisfactorily and authorizes the Report of the committee's actions to be presented to the Board of Directors. There being no discussion and no objections, the resolution was approved by the non-abstaining Committee members. Michael Stern stated that he would abstain from the vote because the Annual Report will be submitted to the Comptroller's Office.

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year; and

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable; and

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Sales Tax Asset Receivable Corporation, copies of which shall be filed with the minutes of the Audit Committee and submitted to the Bureau of Accountancy of the Office of the Comptroller.

Review of Internal Controls

The fourth item on the agenda was the annual review of the Corporation's Internal Controls, a copy of which was in the materials provided to the Committee members. Mr. Stern explained that pursuant to the Charter of the Audit Committee, the Committee is required to annually review the Internal Controls. Mr. Balducci explained that there were some minor changes, which are blacklined and included in the packets, made to the Policy. A brief discussion ensued.

Approval of Independent Auditors Contract

The fifth item on the agenda was the approval of the Independent Contract. Michael Stern asked Toski & Co., P.C. to leave the room. A motion was made and seconded to enter into discussion of the proposed resolution. Michael Stern noted that pursuant to Section III(a) of the Audit Committee Charter, the Corporation is authorized to recommend to the Board of Directors the the appointment and retention of the Corporation’s independent auditors. The Corporation received proposals and selected Toski & Co. based on their proposal and the competitiveness of their rates, as set forth below. A brief discussion ensued. There being no further discussion and no objections, the resolution was approved.

WHEREAS, the Audit Committee of the Sales Tax Asset Receivable Corporation (the “Corporation”) is authorized, pursuant to Section III(a) of the Audit Committee Charter, to recommend to the Board of Directors of the Corporation the appointment and retention of the Corporation’s independent auditors; and

WHEREAS, following a request for proposals, the selection committee of the Corporation has selected the firm of Toski & Co. (“Toski”); it is hereby

RESOLVED, that Audit Committee recommends that the Board authorize the Officers of the Corporation to enter into an agreement with Toski to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2016, 2017 and 2018 with a one one-year extension at the discretion of Corporation staff to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2019, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the staff of the Corporation shall determine, and which agreement shall provide for compensation not to exceed the following rates:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Audit	\$12,500	\$12,500	\$12,500	\$12,500

Special Projects (per hour)

Partner / Director	\$170	\$170	\$170	\$170
Manager / Supervisor	\$120	\$120	\$120	\$120

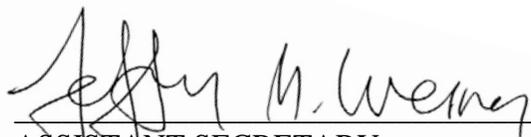
Senior Accountant	\$100	\$100	\$100	\$100
Staff Accountant	\$85	\$85	\$85	\$85

Presentation of Audit Plan by Independent Auditors and Discussion of New Accounting and Auditing Standards

The sixth and final item on the agenda was the presentation of its audit plan by Toski & Co., P.C. A booklet containing the 2016 Audit Plan was distributed to the Committee members. Mr. Balducci introduced the Auditors from Toski & Co., P.C. to the Committee. Mr. Kehm, who is the Principal at Toski & Co., P.C, discussed the Audit Plan and the scope of their services. Additionally, he answered questions posed by the Committee members during the presentation. Mr. Kehm also noted that the audit was in accordance with Government Accounting Standards Board. Finally, Mr. Kehm inquired whether the Committee had any questions. A brief discussion ensued.

Adjournment

There being no further business to come before the Committee, upon motion duly made and seconded, there being no objections, the meeting was duly adjourned.


 ASSISTANT SECRETARY