

# **SALES TAX ASSET RECEIVABLE CORPORATION**

## **MINUTES OF THE MEETING OF AUDIT COMMITTEE**

September 11, 2015

A meeting of the Audit Committee (the “Committee”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on September 11, 2015 at approximately 2:03 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;

Zachary Carter, Corporation Counsel of the City, represented by Al Rodriguez

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

constituting a quorum of the Committee. Michael Moore 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 April 15, 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 April 15, 2015; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of April 15, 2015 be, and they hereby are, approved.

### **Presentation by Management and Independent Auditors Regarding the Audited Annual Financial Statements of the Corporation**

The second item on the agenda was the presentation by management and Marks Paneth LLP (“Marks Paneth”), the independent auditors of the Corporation, regarding the audited financial statements of the Corporation for the fiscal years ending June 30, 2015 and June 30, 2014. Robert Balducci, Deputy Comptroller of the Corporation, briefly provided an overview of the Corporation and asked if there were any questions. There being none Warren Ruppel of Marks Paneth reviewed and discussed Marks Paneth’s presentation booklet, which was included in the materials provided to the Committee members. A brief discussion ensued among the auditors, committee members and officers regarding the defeasance of bonds, carry over assets, expenditures and other financial matters.

### **Committee Meeting with Independent Auditors in Executive Session**

The third item on the agenda was a meeting in executive session between the Committee and the independent auditors. Mr. Stern explained that executive sessions are very strongly recommended by the Government Finance Officers Association and the American Institute of Certified Public Accountants. He explained that executive session would allow the auditors to

meet privately with Committee members to express any concerns about the Corporation's management and allow Committee members to ask questions about and/or express any concerns they may have. He went on to explain that if any material areas of concern appropriate for public meetings were raised in executive session, the Committee would bring them to the attention of the full Board. An oral motion was made for the Committee to enter into executive session. The motion was seconded and, there being no objections, approved.

The public session resumed and Mr. Stern reported that no material issues of concern were discussed.

**Recommendation to the Board of Directors of the Acceptance of the Independent Auditors' Report on the Audited Financial Statements of the Corporation for the Fiscal Years Ended June 30, 2015 and June 30, 2014, and the Issuance of Such Financial Statements.**

The fourth item on the agenda was a recommendation to the Board of Directors regarding the acceptance of the independent auditors' report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2015 and June 30, 2014, and the issuance of such financial statements. A motion was made to adopt the resolution set forth below with respect to such recommendation. The motion was seconded and, there being no objection, approved.

**WHEREAS**, the Audit Committee of the Sales Tax Asset Receivable Corporation (the "Corporation") has met with the independent auditors of the Corporation and has reviewed the independent auditors' report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2015 and June 30, 2014 and such financial statements, as submitted to the Committee; and

**WHEREAS**, the Audit Committee believes the independent auditors' report and the financial statements are reasonable and appropriate; it is therefore

**RESOLVED**, that the Audit Committee recommends to the Board the acceptance of the independent auditors' report and the authorization of the release of the audited financial statements of the Corporation for the fiscal years ended June 30, 2015 and June 30, 2014;

provided that both the independent auditors' report and the audited financial statements may be amended to reflect non-material changes acceptable to the Comptroller of the Corporation.

### **Annual Review and Approval of the Audit Committee Charter**

The fifth item on the agenda was the annual review and approval of the Audit Committee Charter, a copy of which was in the materials provided to the Committee. Mr. Stern explained that annual review and approval of the Committee Charter is required by the Committee Charter and that no changes were proposed. A motion was made to approve the resolution set forth below with respect to the Committee Charter. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Board of Directors (the "Board") of the Sales Tax Asset Receivable Corporation (the "Corporation") originally adopted an Audit Committee Charter on October 4, 2007 and has subsequently amended it; and

**WHEREAS**, pursuant to the Audit Committee Charter, section III(s), the Audit Committee of the Corporation is required annually to review the Audit Committee Charter, reassess its adequacy, and recommend any proposed changes to the Governance Committee of the Corporation; and

**WHEREAS**, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, finds it to be reasonable and appropriate; it is hereby

**RESOLVED**, that the Audit Committee hereby approves the Audit Committee Charter as adopted as attached.

### **Review of the Audit Committee Schedule of Dates**

The sixth and final item on the agenda was the review of the Committee's Schedule of Dates, a copy of which was included in the materials provided to the Committee members. Mr. Stern reviewed the Schedule of Dates. There were no comments on the proposed schedule.

**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