

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF THE  
NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY**

September 26, 2013

A meeting of the Audit Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on September 26, 2013 at approximately 9:40 a.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following Committee members were represented by their designees:

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

John C. Liu, Comptroller of the City, represented by Carol Kostik;

Christine C. Quinn, Speaker of the City Council, represented by Raymond Majewski;

David M. Frankel, Commissioner of the Department of Finance of the City, represented by Dara Jaffee; and

David Burney, Commissioner of the Department of Design and Construction of the City, represented by Michael Garrett;

constituting a quorum of the Committee. Kathy Blyn served as secretary of the meeting.

Also in attendance were members of the public, officers of the Authority and employees of various agencies of the City and the State of New York.

The meeting was called to order by Mr. Majewski, the Chairperson of the Committee.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Committee which occurred on April 9, 2013. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was duly approved.

**WHEREAS**, the Audit Committee of the New York City Transitional Finance Authority has reviewed the minutes of the previous meeting of the Audit Committee held on April 9, 2013; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of April 9, 2013, are hereby approved.

Presentation by Management and Independent Auditors Regarding the Audited Annual Financial Statements of the Authority

The second item on the agenda was a presentation by Authority staff and Deloitte & Touche LLP (“Deloitte”), the Authority’s independent auditors, with respect to the audited financial statements of the Authority for the fiscal years ended June 30, 2013 and June 30, 2012. Robert Balducci, the Deputy Comptroller of the Authority, discussed the impact of GASB Statements No. 63 and 65 on the financial statements. Mr. Balducci answered questions from the Committee members during and after the discussion. Glenn Friedrich of Deloitte then discussed Deloitte’s letter to the Committee with respect to the audit of the Authority’s financial statements, a copy of which was in the materials provided to the Committee members. A brief discussion ensued.

Meeting with Independent Auditors in Executive Session

The third item on the agenda was a meeting between the Committee and the representatives of Deloitte in executive session. Mr. Majewski explained that the Government Finance Officers Association and the American Institute of Certified Public Accountants

strongly recommend that independent auditors meet privately with an entity in executive session. He further explained that executive session would allow the auditors to meet privately with Committee members to express any concerns about the Authority's management and allow Committee members to ask questions about and/or express any concerns they may have. He stated 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 Committee.

The full meeting of the Committee resumed. Mr. Majewski indicated that no material issues had arisen during the meeting in executive session.

Recommendation to the Board of Directors to Accept the Independent Auditors' Report on the Audited Financial Statements of the Authority for the Fiscal Years Ended June 30, 2013 and June 30, 2012, and the Issuance of Such Financial Statements

The fourth item on the agenda was a recommendation to the Board of Directors of the Authority to accept the report of Deloitte on the Authority's financial statements for the fiscal years ended June 30, 2013 and June 30, 2012 and to issue such financial statements. A motion was made to approve the resolution set forth below with respect to the financial statements. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Audit Committee has met with the independent auditors of the New York City Transitional Finance Authority (the "Authority") and has reviewed the independent auditors' report on the audited financial statements of the Authority for the fiscal years ended June 30, 2013 and June 30, 2012 and such financial statements; 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 Authority for the fiscal years ended June 30, 2013 and June 30, 2012; 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 Authority.

### 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. Mr. Majewski explained that no changes have been proposed and that the Charter was in the materials provided to the Committee members. Ms. Kostik raised the issue of whether the Charter should be amended in the future to prohibit the Director of Management and Budget from serving as Chairperson of the Committee. A discussion ensued and it was determined that a discussion of this topic would be continued. 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 Transitional Finance Authority (the “Authority”) originally adopted an Audit Committee Charter on October 4, 2007 and amended it on April 29, 2008, September 25, 2009 and June 20, 2011; and

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

### Review of Audit Committee Schedule of Dates

The sixth and final item on the agenda was a review of the Committee’s Schedule of Dates (a copy of which was in the materials provided to the Committee members). Ms. Kostik inquired as to whether the adoption of such schedule precluded the possibility of other meetings and was informed that it did not.

### Adjournment

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

  
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SECRETARY