

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

September 27, 2012

A meeting of the Audit Committee (the “Committee”) of the New York City Transitional Finance Authority (the “Authority”) was held on September 27, 2012 at approximately 3:10 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following Committee member was present:

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

the following Committee members were represented by their designees:

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

Christine C. Quinn, Speaker of the City Council, represented by Emre Edev;

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.

Election of Chair

The first item on the agenda was the election of a chair to preside at the meeting. Mr. Page noted that given the absence of Raymond Majewski, the Committee Chair, a chair was needed for the meeting. Mr. Edev nominated Mr. Page as chair of the meeting and Mr. Page accepted.

Approval of Minutes

The second item on the agenda was the approval of the minutes of the meeting of the Committee which occurred on April 27, 2012. 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 27, 2012; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of April 27, 2012, are hereby approved.

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

The third 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, 2012 and June 30, 2011. Michele Levine, the Comptroller of the Authority, distributed out a revised draft of the Authority’s financial statements and briefly discussed certain minor corrections. Ms. Levine then introduced Glenn Friedrich and Jill Strohmeier of Deloitte and noted that this was the first year that Deloitte had audited the Authority’s financial statements. Mr. Friedrich briefly described Deloitte’s report with respect to the Authority’s annual financial statements, a copy of which was in the packet provided to the Committee members.

Meeting with Independent Auditors in Executive Session

The fourth item on the agenda was a meeting between the Committee and the representatives of Deloitte in executive session. Mr. Page 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 Board of Directors in order that they may be addressed appropriately in accordance with laws and procedures governing the Authority.

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, 2012 and June 30, 2011, and the Issuance of Such Financial Statements

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

The fifth 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, 2012 and June 30, 2011 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, 2012 and June 30, 2011 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, 2012 and June 30, 2011; 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 sixth 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 members. Mr. Page explained that pursuant to its Charter, the Committee must annually review and approve the Charter. He noted that no changes have been proposed for the Charter. 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 seventh and final item on the agenda was a review of the Committee's Schedule of Dates. Mr. Page explained, as a matter of information, that the Schedule of Dates had been amended by the Committee so that there are now two rather than three meetings per year and that this would be accomplished by merging the January/February meeting with the April/May meeting. He noted that the amended Schedule is in the packet provided to the Committee members.

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.


GENERAL COUNSEL