

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF  
TSASC, INC.**

April 23, 2014

A meeting of the Audit Committee (the “Committee”) of TSASC, Inc. (the “Corporation”) was held on April 23, 2014 at approximately 2:10 p.m. at 255 Greenwich Street, Room 6M4, New York, New York.

The following members of the Committee or their alternates were present:

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| Alan Anders      | - alternate for Dean Fuleihan, Director of Management and Budget of The City of New York (the “City”) |
| Michael Stern    | - alternate for Scott M. Stringer, Comptroller of the City  |
| Raymond Majewski | - alternate for Melissa Mark-Viverito, Speaker of the City Council                                    |
| John Sarich      | - alternate for Michael Hyman, Acting Commissioner of Finance of the City and                         |
| Albert Rodriguez | - alternate for Zachary W. Carter, Corporation Counsel of the City                                    |

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 Corporation and employees of various agencies of the City and the State of New York.

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

Approval of Minutes of Meeting of September 11, 2013

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on September 11, 2013. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved.

**WHEREAS**, the Audit Committee of TSASC, Inc. has reviewed the minutes of the previous meeting of the Audit Committee held on September 11, 2013; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of September 11, 2013 be, and they hereby are, approved.

#### Review of Annual Agency Financial Integrity Compliance Statement

The second item on the agenda was the review of the annual Financial Integrity Compliance Statement of the Corporation (which was in the packet provided to the Committee members). Mr. Stern explained that pursuant to a Directive of the City Comptroller, the Committee must annually review the Corporation's Financial Integrity Compliance Statement and that the Deputy Comptroller of the Corporation was available to answer any questions. There were no questions.

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

The third item on the agenda was the self-evaluation of the Audit Committee and the review of the Annual Report of the Committee (a copy of which was in the packet provided to the Committee members). Mr. Stern stated that the Committee had met twice in the past year, on April 2, 2013 and September 11, 2013 and briefly described the actions taken at those meetings. He then stated that based on the accomplishments of the Committee it has performed in a satisfactory manner. A motion was made to approve the resolution set forth below approving the Annual Report and its presentation to the Board of Directors of the Corporation. The motion was seconded and, there being no objections, approved.

**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 TSASC, Inc., 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.

#### Annual 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 packet provided to the Committee members). Mr. Stern explained that the Committee must annually review the Corporation's Internal Controls. He noted that minor changes had been made in connection with the elimination of the section relating to check writing. He explained that the change was made because the Corporation does all its transactions by wire. Mr. Stern noted that the Deputy Comptroller of the Corporation was available to answer any questions. There were no questions.

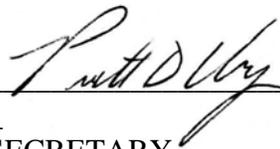
#### Presentation of Audit Plan by Independent Auditors and Discussion of New Accounting and Auditing Standards

The fifth and final item on the agenda was the presentation of an annual pre-audit plan by Marks Paneth ("Marks Paneth"), the Corporation's independent auditors. Robert Balducci, the Deputy Comptroller of the Corporation, introduced Warren Ruppel, the engagement partner, and Daniel McElwee, the Senior Manager, both of Marks Paneth. Mr. Ruppel then referred to a booklet containing the firm's Annual Pre-Audit Presentation for the

Audit Year Ended June 30, 2014 that had been distributed to the Committee members. He reviewed and discussed the contents of such booklet and answered questions. He also explained that while Government Accounting Standards Board (GASB) Statements Number 67 and 68 will impact the City's financial statements they will not impact the Corporation's because these standards relate to pensions and the Corporation has no employees. During the presentation Mr. Ruppel inquired as to whether the Committee had any knowledge or suspicion of fraud or any awareness of whistleblower activities and the response was 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