

# **SALES TAX ASSET RECEIVABLE CORPORATION**

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

September 20, 2011

A meeting of the Audit Committee (the "Committee") of the Sales Tax Asset Receivable Corporation (the "Corporation") was held on September 20, 2011 at approximately 3:10 p.m. at 75 Park Place, Room 6M4, New York, New York.

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

Mark Page	-	Director of Management and Budget of The City of New York (the "City")
Michael Stern	-	alternate for John C. Liu, Comptroller of the City
John Sarich	-	alternate for David M. Frankel, Commissioner of Finance of the City
Albert F. Moncure, Jr.	-	alternate for Michael A. Cardozo, 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 State of New York.

The meeting was called to order by Mr. Stern, 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 held on May 2, 2011. 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 May 2, 2011; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of May 2, 2011 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 KPMG LLP (“KPMG”), the independent auditors of the Corporation, regarding the audited financial statements of the Corporation for the fiscal years ending June 30, 2011 and June 30, 2010<sup>1</sup>. The management’s portion of the presentation was presented by Robert Balducci, Deputy Comptroller of the Corporation. Mr. Balducci highlighted certain items in the draft financial statements included in the Committee’s package and a brief discussion ensued. Greg Driscoll and Brendan Kennedy, as representatives of KPMG, reviewed and discussed KPMG’s presentation booklet, which was included in the materials provided to the Committee members.

**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.

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<sup>1</sup> George Davis, III, the alternate for Elizabeth Weinstein, the Director of the Mayor’s Office of Operations, arrived during this discussion.

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, 2011 and June 30, 2010, 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, 2011 and June 30, 2010, 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, 2011 and June 30, 2010 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, 2011 and June 30, 2010; 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.

**Review of Net Asset and Fund Balance Policy**

The fifth item on the agenda was the review of the Corporation's Policy on the Accounting for and Reporting of Constraints on Net Assets and Fund Balances, a copy of which was in the materials provided to the Committee.

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

The sixth and final item on the agenda was the annual review and approval of the Audit Committee Charter and Charter Schedule, copies of which were in the materials provided to the Committee. Mr. Stern explained that there were no changes to either document. A motion was made to approve the resolution set forth below with respect to the Committee Charter and Charter Schedule. 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**, pursuant to the Audit Committee Charter, section III(u), the Audit Committee of the Corporation is required to develop a schedule of dates by which the requirements of the Charter shall be carried out; and

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

**RESOLVED**, that the Audit Committee hereby approves the Audit Committee Charter as adopted and subsequently amended, and further, approves the Audit Committee Schedule as attached.

## **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