

# **SALES TAX ASSET RECEIVABLE CORPORATION**

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

February 4, 2009

A meeting of the Audit Committee (the “Committee”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on February 4, 2009 at approximately 11:30 a.m. at 75 Park Place, Room 6M4, New York, New York.

The following directors were represented by their designees:

- William C. Thompson, Jr., Comptroller of the City, represented by Michael Stern
- Christine Quinn, Speaker of the City Council, represented by Raymond Majewski
- Martha Stark, Commissioner of Finance of the City, represented by John Sarich
- Michael Cardozo, Corporation Counsel of the City, represented by Albert Moncure, Jr.
- Jeffrey Kay, Director of the Mayor’s Office of Operations, represented by George Davis, III

A quorum of directors was present. Uyen Nguyen 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. Davis, 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 September 23, 2008. 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 September 23, 2008; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of September 23, 2008 be, and they hereby are, approved.

### **Evaluation of Independent Auditors and Authorization of Issuance of RFP**

The second item on the agenda was the evaluation of the independent auditors and authorization of the issuance of a request for proposals. Ms. Levine, the Corporation’s Comptroller, explained that Deloitte & Touche LLP has served as the independent auditor for the Corporation’s financial statements for fiscal years ending on June 30, 2005 through 2008. Ms. Levine further explained that pursuant to the City Comptroller’s Directive 22, auditor contracts must not exceed four years in length. She therefore requested that the Committee authorize management to issue a request

for proposals for independent auditors for the Corporation's financial statements for fiscal years ending June 30, 2009, 2010 and 2011 with an optional one-year extension. A motion was made to adopt the resolution set forth below. The motion was seconded and, there being no objection, approved.

**WHEREAS**, the Audit Committee of the Sales Tax Asset Receivable Corporation (the "Corporation") is authorized under the Audit Committee Charter, to recommend to the Board of Directors of the Corporation the appointment and retention of the Corporation's independent auditors; and

**WHEREAS**, the Corporation, as authorized by the Board of Directors, previously retained the firm of Deloitte & Touche LLP for such firm to serve as independent auditors for the Corporation's financial statements for the fiscal years ending on June 30, 2005, 2006 and 2007, and extended the contract for the audit of the financial statements for the fiscal year ending June 30, 2008; and

**WHEREAS**, the Officers of the Corporation have expressed their satisfaction with the independent auditors; and

**WHEREAS**, pursuant to Directive 22 of the Office of the Comptroller of the City of New York, audit contracts must not exceed four years in length; it is hereby

**RESOLVED**, that pursuant to the Audit Committee Charter, the Audit Committee has evaluated the independent auditors and found their performance to be satisfactory; and

**FURTHER RESOLVED**, that the Audit Committee authorizes the Corporation's Officers to issue a request for proposals for independent auditors for the audit of the Corporation's financial statements for the fiscal years ending June 30, 2009, 2010 and 2011 with an optional one-year extension.

### **Review of Management Letter**

The third item on the agenda was the review of the management letter from the independent auditors, Deloitte & Touche, as attached hereto. Mr. Davis briefly summarized the management letter to the Committee.

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

The fourth item on the agenda was the annual self-evaluation and review of the Annual Report of the Audit Committee. Mr. Davis led the self-evaluation of the Committee and asked the Committee to review the report, which was included in the Committee member's meeting package and is attached hereto. A motion was made to adopt the resolution set forth below approving the Committee's Annual Report. The motion was seconded and, there being no objection, approved.

**WHEREAS**, Section III(h) 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 published no later than February 28 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(g) 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 the Sales Tax Asset Receivable Corporation, 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 and Approval of the Audit Committee Charter and Audit Committee Schedule**

The last item on the agenda was the annual review and approval of the Audit Committee Charter and Audit Committee Schedule. Mr. Davis explained that no change was made to the Charter, however, there was a slight change made to the Schedule in the Spring of 2009. A motion was made to adopt the resolution set forth below approving the Committee's Charter and Schedule. The motion was seconded and, there being no objection, 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

**WHEREAS**, pursuant to the Audit Committee Charter, section III(p), 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

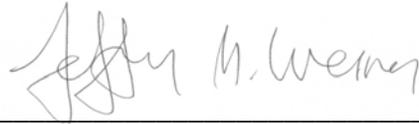
**WHEREAS**, pursuant to the Audit Committee Charter, section III(r), the Audit Committee of the Corporation is required to develop a schedule of dates by which the requirements of the Charter shall be carried out; and

**WHEREAS**, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, and the Audit Committee Schedule, as amended and 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 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.



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ASSISTANT SECRETARY