

SALES TAX ASSET RECEIVABLE CORPORATION

MINUTES OF THE MEETING OF AUDIT COMMITTEE

April 24, 2009

A meeting of the Audit Committee (the "Committee") of the Sales Tax Asset Receivable Corporation (the "Corporation") was held on April 24, 2009 at approximately 4:47 p.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 of New York (the "City"), represented by Michael Stern
- Christine Quinn, Speaker of the City Council, represented by Raymond Majewski
- 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, staff 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 February 4, 2009. 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 February 4, 2009; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of February 4, 2009 be, and they hereby are, approved.

Recommendation to Board: Approval of Independent Auditor's Contract

The second item on the agenda was the recommendation to the Board of Directors of the Corporation (the "Board") regarding the approval of the Independent Auditor's Contract. Prior to the discussion, the representatives from KPMG LLP ("KPMG") left the room. Ms. Michele Levine, Comptroller of the Corporation, explained that at the last meeting, the Committee adopted a resolution for the Corporation to issue a request for proposals for independent auditors. A brief discussion ensued regarding the selection process and the evaluation of firms based on

criteria such as experience, qualifications, and cost. Ms. Levine recommended that the Corporation enter into an agreement with KPMG to serve as independent auditors for fiscal years ending June 30, 2009, 2010 and 2011 with an optional extension for the fiscal year ending June 30, 2012. A motion was made to approve the resolution set forth below. The motion was seconded and, there being no objections, approved.

WHEREAS, the Audit Committee of the Sales Tax Asset Receivable Corporation (the “Corporation”) is authorized, pursuant to Section III(a) of 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, following a request for proposals, the selection committee of the Corporation has selected the firm of KPMG LLP; it is hereby

RESOLVED, that Audit Committee recommends that the Board authorize the Officers of the Corporation to enter into an agreement with KPMG LLP to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2009, 2010 and 2011 with a one one-year extension upon recommendation of the Audit Committee to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2012, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the staff of the Corporation shall determine, and which agreement shall provide for compensation not to exceed the following rates:

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Audit	\$14,000	\$14,000	\$14,000	\$14,000
Special Projects (per hour)				
Partners	\$228	\$228	\$228	\$228
Managing Directors	\$220	\$220	\$220	\$220
Managers	\$164	\$164	\$164	\$164
Senior Associates	\$128	\$128	\$128	\$128
Associates	\$96	\$96	\$96	\$96

Recess Meeting, Pending Approval of Auditor Selection by Board of Directors

The third item on the agenda was a recess of this meeting pending approval of the independent auditor selection by the Corporation’s Board. A motion was made for the Committee to recess while the Board convened. The motion was seconded and, there being no objections, approved. After the Board’s meeting was held, whereby the Board approved the Committee’s recommendation the Committee meeting was reconvened by Mr. Davis.

Presentation of Audit Plan Including Discussion of New Accounting and Auditing Standards

The fourth item on the agenda was a presentation by the Corporation's independent auditors, KPMG, of their audit plan. The presentation was given by Tony Dalessio, as representative of KPMG. A discussion ensued whereby Mr. Dalessio explained KPMG's audit methodology and deliverables with respect to their audit of the Corporation. In addition, he explained new accounting and auditing standards and professional pronouncements to the Committee.

Review of Annual Agency Financial Integrity Compliance Statement

The fifth item on the agenda was a review of the Corporation's Annual Agency Financial Integrity Compliance Statement which is required by the Office of the Comptroller of the City. Ms. Levine explained that included in the Committee's package was the Corporation's Financial Integrity Compliance Statement and the completed Internal Control Checklist. Ms. Levine indicated that the Corporation's staff believes that the appropriate controls are in place and are operating effectively. A motion was made to adopt the resolution set forth below. The motion was seconded and, there being no objection, approved.

WHEREAS, pursuant to section 6.1(5) of Directive 22 of the Office of the Comptroller of the City of New York (the "Comptroller"), the Audit Committee of the Sales Tax Asset Receivable Corporation (the "Corporation") is required to review and evaluate the annual Financial Integrity Statements as required by Section 7.0 of Directive 22 and the Comptroller's Directive 1; and

WHEREAS, the Audit Committee of the Corporation has reviewed and evaluated the Corporation's Financial Integrity Statements; it is hereby

RESOLVED, that the Audit Committee finds the Corporation's Financial Integrity Statements to be satisfactory and complete.

Internal Controls

The last item on the agenda was a discussion regarding Internal Controls. Ms. Levine explained that a draft of the Corporation's Policies and Procedures Manual regarding Internal Controls has been included in the Committee's package. She asked the Committee to review the draft and contact her with any comments.

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