

SALES TAX ASSET RECEIVABLE CORPORATION

MINUTES OF THE MEETING OF AUDIT COMMITTEE

September 24, 2009

A meeting of the Audit Committee (the “Committee”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on September 24, 2009 at approximately 4:46 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 Olivia O’Neill
- 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 April 24, 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 April 24, 2009; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of April 24, 2009 be, and they hereby are, approved.

Presentation by management and independent auditors regarding the audited annual financial statements of the Corporation

The next item on the agenda was the presentation by management and independent auditors regarding the audited financial statements of the Corporation. The management’s portion of the presentation was presented by Michele Levine, the Corporation’s Comptroller. Ms. Levine introduced the Corporation’s new auditors from the firm of KPMG LLP (“KPMG”) – Kenneth Deon and Brendan Kennedy. Ms. Levine also introduced Robert Balducci, the Corporation’s

Assistant Comptroller. Ms. Levine highlighted certain items in the draft financial statements included in the Committee's package and attached hereto, and a brief discussion ensued.

Mr. Deon and Mr. Kennedy, as representatives of KPMG, presented the independent auditor's portion of the presentation, attached hereto. Mr. Deon highlighted certain items in the package which he provided to the Committee members and a brief discussion ensued.

Move into executive session

The next item on the agenda was a meeting in executive session between the Committee and the independent auditors. Mr. Davis 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. A motion was made to move the meeting into executive session. The motion was seconded and, there being no objection, approved.

Audit Committee meets with independent auditors

Management and members of the public left the room and the executive session commenced. While in executive session, the Committee met with the KPMG representatives.

Executive session ends

The executive session ended and the management and members of the public were allowed back into the public meeting. Mr. Davis reported that no material issues of concern were discussed.

Recommendation to the Board of Directors the acceptance of the independent auditors' report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2009 and June 30, 2008, and the issuance of such financial statements.

The next item on the agenda was a recommendation to the Board of Directors regarding the acceptance of the independent auditor's report on the audited financial statements of the Corporation for the fiscal years ended June 30, 2009 and June 30, 2008, and the issuance of such financial statements. A motion was made to adopt the resolution set forth below with respect to this recommendation and issuance. 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, 2009 and June 30, 2008 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, 2009 and June 30, 2008; 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.

Internal Controls

The last item on the agenda was a discussion regarding Internal Controls. Ms. Levine explained that there has been no change to the Corporation's Policies and Procedures Manual regarding Internal Controls since the last Committee meeting and a final copy was included in the Committee's package and is attached hereto.

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