

THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

April 29, 2008

A meeting of the Audit Committee (the "Committee") of the New York City Transitional Finance Authority (the "Authority") was held on April 29, 2008 at approximately 12:45 p.m. at 75 Park Place, Room 6M4, New York, New York.

The following directors were represented by their designees:

- Christine C. Quinn, Speaker of the City Council, represented by Raymond Majewski
- William C. Thompson, Jr., Comptroller of the City, represented by Carol Kostik
- David Burney, Commissioner of the Department of Design and Construction of the City, represented by Robert Cleary

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 Authority, and employees of various agencies of the City.

The meeting was called to order by Mr. Majewski, Chair of the Audit Committee.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the meeting of the Committee which occurred on February 4, 2008. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was duly approved:

WHEREAS, the Audit Committee of the New York City Transitional Finance Authority has reviewed the minutes of the previous meeting of the Audit Committee held on February 4, 2008; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of February 4, 2008, are hereby approved.

Independent Auditor's Contract

The second item on the agenda was the Independent Auditor's Contract.

Warren Ruppel and other representatives of Marks Paneth & Shron LLP ("Marks Paneth"), left the room.

Michele Levine, the Authority's Comptroller, spoke briefly about the independent auditor selection process. Ms. Levine explained that the firm of Marks Paneth was selected because they

fine-tuned their proposal to the needs of the Authority and did so at the lowest proposed cost. Ms. Levine asked the Committee to recommend Marks Paneth as the Authority’s independent auditors.

A motion was made to approve the resolution set forth below with respect to the recommendation of the firm of Marks Paneth. The motion was seconded and, there being no objections, approved.

WHEREAS, the New York City Transitional Finance Authority (the “Authority”) is authorized, pursuant to Section 2799-ee of the Act, to retain or employ auditors; and

WHEREAS, the Audit Committee of the Authority is authorized, under the Audit Committee Charter, pursuant to Section III(a), to recommend to the Board of Directors of the Authority the appointment and retention of the Authority’s independent auditors; and

WHEREAS, pursuant to a request for proposals dated February 11, 2008, the selection committee of the Authority has selected the firm of Marks Paneth & Shron LLP; it is hereby

RESOLVED, that Audit Committee recommends that the Board authorize the Executive Director to enter into an agreement with Marks Paneth & Shron LLP to serve as independent auditor for the Authority’s financial statements for the fiscal years ending June 30, 2008, 2009 and 2010, with one one-year extension upon the recommendation of the Audit Committee to cover the audit of the Authority’s financial statements for the fiscal year ending June 30, 2011, which agreement shall contain such other terms and conditions which are not inconsistent with this resolution as the Executive Director shall determine, and which agreement shall provide for compensation not to exceed the following rates:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Audit	\$60,000	\$63,000	\$66,000	\$70,000
Special Projects (per hour)				
Partner	\$300	\$315	\$330	\$345
Manager	\$175	\$185	\$195	\$205
Senior	\$125	\$130	\$135	\$140
Associate	\$100	\$105	\$110	\$115
Specialists	\$200	\$210	\$220	\$235

Recess Pending Approval of Auditor Selection by Board of Directors

The third item on the agenda was a recess of the meeting of the Committee pending approval of the independent auditor selection by the Authority’s Board of Directors. A motion was made for the Committee to recess while the Board of Directors convened. The motion was seconded and, there being no objections, approved.

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

The fourth item on the agenda was a presentation of the Audit Plan by the Authority's recently approved independent auditors, Marks Paneth. The presentation was given by Warren Ruppel, as representative of Marks Paneth. A brief discussion ensued whereby Mr. Ruppel explained the types of auditing tests Marks Paneth would be conducting as part of its audit of the Authority.

Discussion of Internal Control Policies

The last item on the agenda was a discussion regarding Internal Control Policies. Ms. Levine asked that the Committee take some time to review a draft of an outline for internal controls. Ms. Levine asked that before the next meeting the Committee inform her of any comments the Committee may have with respect to the outline for internal controls.

Adjournment

There being no further business to come before the members of the Committee, upon motion duly made and seconded, there being no objections, the meeting was duly adjourned.


GENERAL COUNSEL