

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF  
TSASC, INC.**

September 11, 2013

A meeting of the Audit Committee (the “Committee”) of TSASC, Inc. (the “Corporation”) was held on September 11, 2013 at approximately 3:39 p.m. at 255 Greenwich Street, 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 City
Raymond Majewski	-	alternate for Christine C. Quinn, Speaker of the City Council
John Sarich	-	alternate for David M. Frankel, Commissioner of Finance of the City
Olivia O’Neill	-	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.

The meeting was called to order by Mr. Stern, the Chairperson of the Committee.

Approval of Minutes of Meeting of April 2, 2013

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on April 2, 2013. Upon motion duly made and seconded, there being no objections, the following resolution to adopt such minutes was approved.

**WHEREAS**, the Audit Committee of TSASC, Inc. has reviewed the minutes of the previous meeting of the Audit Committee held on April 2, 2013; it is therefore

**RESOLVED**, that the minutes of the Audit Committee meeting of April 2, 2013 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 a presentation by the staff of the Corporation and Marks Paneth & Shron (“Marks Paneth”), the Corporation’s independent auditors, with respect to the audited financial statements of the Corporation for the fiscal years ending June 30, 2013 and June 30, 2012. Robert Balducci, the Deputy Comptroller of the Corporation, briefly discussed certain highlights in the financial statements. Hope Goldstein of Marks Paneth then described and discussed the Annual Audit Presentation which had been distributed to the Committee. A discussion ensued, including a discussion with respect to a recently completed arbitration relating to the escrow of payments by non-participating manufacturers, which will result in greater turbo redemptions at some point in the future.

Committee Meeting with the Independent Auditors in Executive Session

The third item on the agenda was a meeting between the Committee and Marks Paneth in executive session. 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 state 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 Committee. An oral motion for the Committee to meet with the independent auditors in executive session was made. The motion was seconded and, there being no objections, approved.

Subsequent to the meeting in executive session the public session resumed. Mr. Stern informed the Committee that no material issues arose that are appropriate for discussion in the full meeting.

Recommendation to the Board of Directors to Accept the Independent Auditors' Report on the Audited Financial Statements of the Corporation for the Fiscal Years ended June 30, 2013 and June 30, 2012, and to Issue Such Financial Statements.

The fourth item on the agenda was the recommendation of the Committee to the Board of Directors that it accept the report of Marks Paneth on the audited financial statements of the Corporation for the fiscal years ended June 30, 2013 and June 30, 2012, and that it authorize the release of such audited financial statements. A motion was made to approve the resolution set forth below with respect to the financial statements. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Audit Committee of TSASC, Inc. (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, 2013 and June 30, 2012 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, 2013 and June 30, 2012; 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.

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

The fifth item on the agenda was the annual review and approval of the Audit Committee Charter, a copy of which was in the materials provided to the Committee. Mr. Stern explained that such review and approval are required by the Committee Charter and that no changes to the Charter had been proposed. A motion was made to approve the resolution set forth below with respect to the Committee Charter. The motion was seconded and, there being no objections, approved.

**WHEREAS**, the Board of Directors (the "Board") of TSASC, Inc. (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**, the Audit Committee has reviewed the Audit Committee Charter, as attached hereto, and finds it to be reasonable and appropriate; it is hereby

**RESOLVED**, that the Audit Committee hereby approves the Audit Committee Charter as attached.

#### Review of the Audit Committee Schedule of Dates

The sixth and final item on the agenda was the review of the Committee's Schedule of Dates, a copy of which was in the material provided to the Committee members. Mr. Stern explained that the Committee must review its Schedule of Dates annually and noted that there is a typo in the September/October item that will be corrected.

#### Adjournment

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



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ASSISTANT SECRETARY