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

September 20, 2011

A meeting of the Audit Committee (the "Committee") of TSASC, Inc. (the "Corporation") was held on September 20, 2011 at approximately 2:35 p.m. at 75 Park Place, 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
John Sarich	- alternate for David M. Frankel, Commissioner of Finance of the City
Albert F. Moncure, Jr.	- 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 and the State of New York.

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

<u>Approval of Minutes of Meeting of May 2, 2011</u>

The first item on the agenda was the approval of the minutes of the meeting of the Committee held on May 2, 2011. 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 May 2, 2011; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of May 2, 2011 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, 2011 and June 30, 2010. Robert Balducci, the Deputy Comptroller of the Corporation, discussed such financial statements, which were in the materials provided to the Committee, and explained the features and impact on the financial statements of GASB Statement No. 54. A brief discussion ensued. Warren Ruppel of Marks Paneth then introduced John Luke of Marks Paneth who is the new manager on the account. Mr. Ruppel then reviewed and summarized the firm's Annual Audit Presentation, which was included in the materials provided to the Committee. A brief discussion ensued.

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 Board in order that they may be addressed appropriately in accordance with laws and procedures governing the Corporation. The meeting then went into executive session with only the independent auditors and the Committee in attendance.

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 public session.

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, 2011 and June 30, 2010, and the Issuance of 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, 2011 and June 30, 2010, 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, 2011 and June 30, 2010 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, 2011 and June 30, 2010; 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.

Distribution of Net Asset and Fund Balance Policy

The fifth item on the agenda was the distribution of the Corporation's Policy on the Accounting for and Reporting of Constraints on Net Assets and Fund Balances, a copy of which was in the materials provided to the Committee. A motion was made to accept such Policy. The motion was seconded and, there being no objections, approved.

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

The sixth and final item on the agenda was the annual review and approval of the Audit Committee Charter and Charter Schedule, copies of which were in the materials provided to the Committee. Mr. Stern explained that there were no changes to either document. A motion was made to approve the resolution set forth below with respect to the Committee Charter and Charter Schedule. 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, pursuant to the Audit Committee Charter, section III(u), 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 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 subsequently amended, and further, approves the Audit Committee Schedule as attached.

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.

ASSISTANT SECRETARY