

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE
OF THE SALES TAX ASSET RECEIVABLE CORPORATION**

April 28, 2020

A meeting of the Audit Committee (the “Committee”) of the Sales Tax Asset Receivable Corporation (the “Corporation”) was held on April 28, 2020 at approximately 1:05 p.m., via telephone.

The following members of the Committee were represented by their alternates:

Melanie Hartzog, Director of Management and Budget of The City of New York (the “City”), represented by Jay Olson;

Scott M. Stringer, Comptroller of the City, represented by Michael Stern;

James Johnson, Corporation Counsel of the City, represented by Al Rodriguez;

Jeff Thamkittikasem, Director of the Mayor’s Office of Operations, represented by Brady Hamed; and

Jacques Jiha, Finance Commissioner, represented by Robin Lee, constituting a quorum of the Board. Rita Pasarell 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, Chairperson of the Committee.

Approval of Minutes

The first item on the agenda was the approval of the minutes of the Committee meeting held on September 26, 2019. The minutes have been circulated for the Committee’s approval. There being no further discussion, upon unanimous vote the below resolution was adopted.

WHEREAS, the Audit Committee of the Sales Tax Asset Receivable Corporation has reviewed the minutes of the Audit Committee meeting held on September 26, 2019; it is therefore

RESOLVED, that the minutes of the Audit Committee meeting of September 26, 2019 be, and they hereby are, approved.

Recommendation to the Board of Directors: Approval of Independent Auditor Contract

The second item on the agenda was the recommendation to the Board of Directors that the Board approve the Corporation entering into a contract with Marks Paneth LLP (“Marks Paneth”) to serve as independent auditor to the Corporation. Following a competitive request for proposals process, the Corporation’s staff recommended the retention of Marks Paneth to serve as independent auditor to the Corporation for the Fiscal Years ended June 30, 2020; 2021; 2022; and 2023, with an optional one year extension at the Corporation’s discretion for Fiscal Year 2024. Marks Paneth was selected on the basis of the quality of their proposal, the competitive nature of their fees and the excellent service they have provided to other City-related Issuers. The terms of the contract are still being finalized between the Corporation and the selected auditor; if for some reason a new auditor needs to be selected, the Committee will reconvene to approve that selection. The proposed resolution lists the fees and rates of the proposed contract. The Corporation’s Comptroller, Robert Balducci, was present to answer any questions. There being no further discussion, upon unanimous vote the below resolution was adopted.

WHEREAS, the Audit Committee of 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 Marks Paneth it is hereby

RESOLVED, that the Audit Committee recommends that the Board authorize the Officers of the Corporation to enter into an agreement with Marks Paneth to serve as independent auditors for the Corporation’s financial statements for the fiscal years ending June 30, 2020, 2021, 2022 and 2023 with a one one-year extension at the discretion of Corporation staff to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2024, 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:

Audit:

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$10,000	\$10,250	\$10,500	\$10,750	\$11,000

Special Projects (per hour)

Position	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Partner	\$320	\$330	\$340	\$350	\$360
Manager	\$225	\$230	\$235	\$240	\$245
Senior	\$160	\$165	\$170	\$175	\$180
Staff	\$115	\$120	\$125	\$130	\$135

Annual Self-Evaluation and Review of Annual Report of the Audit Committee

The third item on the agenda was the self-evaluation and review of the Annual Report of the Committee. Mr. Stern noted that a list of the Committee’s actions in the prior calendar year was in the materials provided to the Committee members. The proposed resolution expresses the Committee’s finding that it is functioning satisfactorily and authorizes the report of the Committee’s actions to be presented to the Board of Directors. There being no further discussion, upon unanimous vote the below resolution was adopted.

WHEREAS, Section III(k) of the Audit Committee Charter and Section 6.3 of Directive 22 of the City of New York Office of the Comptroller require the Audit Committee to issue an annual report to be prepared no later than October 30 of each year, which details the activities and decisions of the Committee for the prior calendar year; and

WHEREAS, the Audit Committee has reviewed the Annual Report of the Audit Committee, as attached hereto and finds it to be reasonable; and

WHEREAS, Section III(j) of the Audit Committee Charter requires the Audit Committee to conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the Audit Committee Charter; and

WHEREAS, the Audit Committee finds its performance to be satisfactory, effective, and in compliance with the Audit Committee Charter; it is therefore

RESOLVED, that the Annual Report of the Audit Committee is hereby approved and shall be presented to the Board of Directors of the Sales Tax Asset Receivable Corporation, copies of which shall be filed with the minutes of the Audit Committee and submitted to the Bureau of Accountancy of the Office of the Comptroller.

Review of Internal Controls

The fourth item on the agenda was the annual review of the Corporation's Internal Controls Policy, a copy of which was in the materials provided to the Committee members. This is a review item only, and no vote will be taken. Mr. Stern explained that pursuant to the Charter of the Audit Committee, the Committee is required to annually review the Internal Controls Policy. Changes are proposed to the Policy to update certain policies and add missing definitions. The Comptroller of the Corporation, Robert Balducci, was present to answer any questions.

Review of Financial Integrity Compliance Statement

The fifth item on the agenda was the review of the Corporation's Financial Integrity Compliance Statement, a copy of which was in the materials provided to the Committee members. This is a review item only, and no vote will be taken. Mr. Stern explained that City Comptroller's Directive 22 requires that the Committee review such Statement annually. Robert Balducci was present to explain the statement and answer any questions.

Presentation of Audit Plan by Independent Auditors and Discussion of New Accounting and Auditing Standards

The sixth and final item on the agenda was the presentation of the audit plan by the Corporation's presumptive independent auditors, Marks Paneth. The auditors are the presumptive auditors because their hiring is contingent upon the Board of Directors accepting the Committee's recommendation to approve the appointment of Marks Paneth. The audit presentation was included in the materials provided to Committee members. Mr. Balducci introduced the auditors

from Marks Paneth to the Committee. Warren Ruppel, Partner at Marks Paneth, discussed the Audit Plan and the scope of proposed services and noted that Marks Paneth will coordinate with the Corporation's auditors from the prior year. Mr. Ruppel confirmed the independence of Marks Paneth with respect to the Sales Tax Asset Receivable Corporation.

Adjournment

There being no further business to come before the Committee, there being no further discussion, upon unanimous vote the meeting was duly adjourned.



ASSISTANT SECRETARY