

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

May 11, 2020

A meeting of the Audit Committee (the “Committee”) of TSASC, Inc. (the “Corporation”) was held on May 11, 2020 at approximately 10:10 a.m. via online conference and telephone.

The following members of the Committee or their alternates were present:

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 Marjorie Henning;

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

and Jacques Jiha, Finance Commissioner, represented by Robin Lee,

constituting a quorum of the Committee. 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 Ms. Henning, the Chairperson of the Committee.

Approval of Minutes of Meeting of September 26, 2019

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

WHEREAS, the Audit Committee of TSASC, Inc. has reviewed the minutes of the previous meeting of the Audit Committee 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 – 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 proposed resolution lists the fees and rates of the proposed contract. The Corporation’s Comptroller, Robert Balducci, was present to answer any questions.

There was no discussion and upon unanimous vote, the resolution was approved.

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

WHEREAS, pursuant to a competitive request for proposals the selection committee of the Corporation has selected the firm of Marks Paneth LLP (“Marks Paneth”); it is hereby

RESOLVED that Audit Committee recommends that the Board authorize the staff of the Corporation to enter into an agreement with Marks Paneth to serve as independent auditor for the Corporation’s financial statements for the fiscal years ending June 30, 2020, 2021, 2022, and 2023, with a one one-year optional extension at the discretion of the Corporation’s Management to cover the audit of the Corporation’s financial statements for the fiscal year ending June 30, 2024, which such 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 (by Fiscal Year)

2020	\$ 14,000
2021	\$ 14,500
2022	\$ 15,000
2023	\$ 15,500
2024	\$ 16,000

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

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

The third item on the agenda was the self-evaluation of the Audit Committee and the review of the Annual Report of the Committee, a copy of which was in the packet provided to the Committee members. Ms. Henning noted that the Committee is required to conduct an annual self-evaluation and provide the results of that evaluation to the Board of Directors. The report outlines the Committee’s actions during calendar year 2019. She indicated that the Committee believes that it is functioning in a satisfactory manner. There was no further discussion and, upon unanimous vote, the resolution was approved.

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 TSASC, Inc., 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.

Annual Review of Internal Controls

The fourth item on the agenda was the annual review of the Corporation's Internal Controls, a copy of which was in the materials provided to the Committee members. This was a review item only, and no vote was taken. Ms. Henning explained that the Committee proposed minor changes to update the Internal Controls policy, with changes to add missing defined terms and to reflect current practices. A blackline copy of the proposed changes was in the materials provided to the Committee members. Mr. Balducci was present to answer questions.

Review of Annual Agency Financial Integrity Compliance Statement

The fifth item on the agenda was the review of the Annual Financial Integrity Compliance Statement of the Corporation, which was in the packet provided to the Committee members. This was a review item only, and no vote was taken. Ms. Henning explained that pursuant to Section 6.0 of the City of New York Office of the Comptroller's Directive 22, a review of the Financial Integrity Compliance Statement must be conducted and that Mr. Balducci was available to 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 by the Corporation's presumptive independent auditor, Marks Paneth. Mr. Balducci introduced Warren Ruppel, partner of Marks Paneth. Mr. Ruppel then referred to a booklet containing the firm's Annual Pre-Audit Presentation for the Audit Year Ended June 30, 2020 that had been distributed to the Committee members. He reviewed and discussed the contents of such booklet. Mr. Ruppel asked if any Committee members had any knowledge of or suspicion of fraud, and all Committee

members responded that they had no such knowledge.

Adjournment

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


ASSISTANT SECRETARY