

**MINUTES FOR THE AUDIT COMMITTEE OF THE
TOBACCO SETTLEMENT FINANCING CORPORATION
HELD ON THURSDAY, JANUARY 24, 2019 AT 9:00 A.M.
AT 25 BEAVER STREET
NEW YORK, NEW YORK 10004**

MEMBERS AND DESIGNEES

PRESENT:

Kenneth G. Adams	Chairman
Andrew San Filippo	Member
Jesse Olczak	New York State Division of the Budget, representing Robert Mujica, Budget Director, Member (via video conference)

Chairman Kenneth G. Adams presided over the meeting. Ms. Linda Manley, Senior Vice President and Counsel to HCR, formally opened the meetings and acted as secretary.

Jesse Olczak, representing Mr. Robert Mujica, Director of the Division of the Budget and Linda Baldwin, representing Rossana Rosado, the Secretary of State, are participating in the meeting via video conference from the New York State Division of Budget conference center at the Capitol Building Room 131 in Albany; and Bethaida Gonzalez is participating from the Syracuse Regional Office, 620 Erie Boulevard, Suite 312.

Ms. Manley asked for motions and seconds to call to order the Audit Committee meetings of the New York State Housing Finance Agency (“HFA”), the New York State Affordable Housing Corporation (“AHC”), the State of New York Mortgage Agency (“SONYMA”), the New York State Municipal Bond Bank Agency (“MBBA”), and the New York State Tobacco Settlement Financing Corporation (“TSFC”). Chairman Adams moved to call the HFA and AHC meetings to order and Mr. Nestor Davidson seconded the motion. Chairman Adams moved to call the SONYMA meeting to order and Jesse Olczak seconded the motion. Mr. San Filippo moved to call the MBBA and TSFC meetings to order and Jesse Olczak seconded the motion.

These minutes reflect only those items being considered by the Members of TSFC. A record of items considered by the other Agencies is contained in the minutes of each of the Agencies.

Ms. Manley stated that as items were presented to each Board throughout the meetings, these motions and seconds would be used, unless specific items called for a different vote, or unless any members wished to record his or her vote differently.

Ms. Manley noted that Chairman Adams would chair the Audit Committees for SONYMA, MBBA and TSFC; and that Mr. Davidson would chair the Audit Committee for HFA and AHC.

Lastly, Ms. Manley noted that for purposes of convenience, items shared by one or more agencies would be presented by Mr. Davidson.

The next item on the Agenda was the adoption of the minutes of the TSFC Audit Committee meeting held on December 13, 2018. There being no objections or corrections from the Members, Mr. Davidson deemed the minutes of the TSFC Audit Committee approved.

The next item on the Agenda was a resolution recommending the approval of Fiscal 2018 Financial Statements and Schedule of Investments.

Mr. Weinstock presented a short summary of the 2018 Financial Statements and Schedule of Investments. Mr. Weinstock highlighted that the Agencies were each fiscally healthy and productive, especially in comparison to last year. Mr. James McIntyre shared that the municipal market has been active and that the pricing of housing bonds has generally remained consistent. He then described innovative ways the Agencies were using to spread scarce volume cap. Chairman Adams asked for a rough comparison of the Agencies volume cap as compared to other state agencies. Mr. San Filippo asked about MBBA programs, and discussion ensued regarding the usage of the MBBA parameters and funding under its authorizing statute. Representatives of the various agencies then presented on each Agency's fiscal performance over the last year, highlighting their various program success enjoyed over the last year.

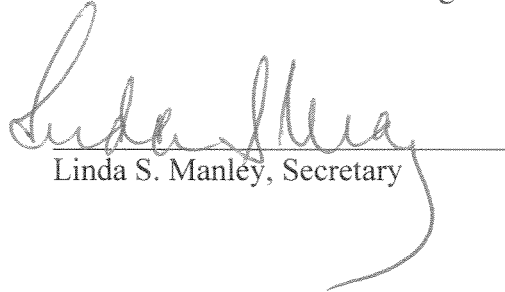
Considering the first and second motions previously entered, the motions were carried, and the following resolution was adopted unanimously:

A RESOLUTION OF THE TOBACCO SETTLEMENT FINANCING CORPORATION AUDIT COMMITTEE REVIEWING AND APPROVING AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2018

The next item on the Agenda was presentation of the Annual Evaluation by the Audit Committee. Ms. Manley noted that this was an information item, and that there would be no discussion on this item unless the Members so requested.

There being no unfinished business, Committee Chairman Davidson asked for a motion to adjourn the meeting. Considering the first and second motions previously entered, the motions were carried, and the meeting was adjourned at 10:32 a.m.

Ms. Manley informed the Members that the next Committee meeting is scheduled for Thursday, April 11, 2019 at 9:00 a.m.



Linda S. Manley, Secretary