

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**AUDIT COMMITTEE  
MINUTES**

**Tuesday, May 6, 2014**

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**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY****MINUTES OF AUDIT COMMITTEE****225 Park Avenue South****New York, NY****Tuesday, May 6, 2014****PRESENT:**

Hon. David S. Steiner, Chair  
Hon. Jeffrey A. Moerdler, Vice-Chair  
Hon. Richard H. Bagger  
Hon. Jeffrey H. Lynford  
Committee Members

Patrick J. Foye, Executive Director  
Deborah L. Gramiccioni, Deputy Executive Director  
Darrell B. Buchbinder, General Counsel  
Karen E. Eastman, Secretary

Steven J. Coleman, Acting Director, Media Relations  
Karen Connelly, Assistant Director, Police Integrity Unit, Office of the Inspector General  
Salvatore A. Dalessandro, Assistant Director, Office of Investigation, Office of the Inspector General  
Philippe Danielides, Senior Advisor to the Chairman  
Robert E. Galvin, Chief Technology Office  
Linda C. Handel, Deputy Secretary, Office of the Secretary  
Morgan D. Keane, Supervising Management Analyst, Office of the Comptroller  
John H. Ma, Chief of Staff to the Executive Director  
Daniel G. McCarron, Comptroller  
Elizabeth M. McCarthy, Chief Financial Officer  
Steven A. Pasichow, Assistant Director, Office of Investigation, Office of the Inspector General  
Jared Pilosio, Staff External Relations Representative, Government and Community Affairs  
Robert A. Sudman, Director, Audit  
Robert E. Van Etten, Inspector General

Joseph Blanco, McKenna Long & Aldridge LLP  
William Ide, McKenna Long & Aldridge LLP

**Guest:**

Kerstin Sundstrom, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

The Committee meeting was called to order in public session by the Chair at 10:45 a.m. and ended at 10:48 a.m.

**Action on Minutes**

The Secretary reported that the Minutes of the meeting of June 24, 2013 had been signed and distributed to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of June 24, 2013.

## **RETENTION OF INDEPENDENT AUDITORS**

The By-Laws and the Audit Committee Charter provide that the Audit Committee shall select pursuant to a competitive process and arrange for an independent firm of certified public accountants to perform an audit of the financial statements of the Port Authority each year in accordance with auditing standards generally accepted in the United States of America.

After due consideration of its qualifications and performance, the Audit Committee has determined to retain KPMG LLP as independent auditor for the year ending December 31, 2014. KPMG LLP was selected in 2011 on the basis of a competitive process, which provided that subject to annual retention, as determined by the Audit Committee, such services may be extended through 2016.

The Committee has the power to act in this matter under Article XIII, Section B of the By-Laws and its Charter.

Pursuant to the foregoing report, the Committee adopted the following resolution, with Commissioners Bagger, Lynford, Moerdler and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

**RESOLVED**, that KPMG LLP be and the same hereby is retained as independent auditor for the year ending December 31, 2014, to: (i) audit the accounts and financial statements of the Port Authority and its related entities for such year; (ii) perform a review of the Passenger Facility Charge Program and federal award programs; (iii) perform an evaluation of the Port Authority's internal control over financial reporting; (iv) provide services as requested in the disclosure process in connection with the issuance of Port Authority obligations; and (v) provide other audit services, including a review of revenue and cost computations relating to and under the terms of the various lease agreements (including base rent and annual gross revenue calculations at the New York City Municipal Air Terminals), financial and statistical data reports submitted to the Federal Transit Administration, and field work and financial disclosure requirements of the Single Audit Act of 1984 for recipients of federal financial assistance; and it is further

**RESOLVED**, that the form of any agreements required in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Secretary