

## Rhode Island Housing

### Minutes of the Audit Committee Meeting October 20, 2011

Board Attendees: Josh Brumberger (Committee Chair), Paul Dimeo, James DeRentis  
Staff Attendees: Richard Godfrey, Kara Lachapelle, Susan Bodington, Nicole Turner  
Outside Attendees: Catherine Parente, Robert Howard and Michael VanDeventer from CCR, LLP (“CCR”)

The Audit Committee of the Board of Commissioners convened at 8:40 a.m. to discuss audit results for fiscal year ended June 30, 2011 with CCR, the Corporation’s external auditing firm.

Richard introduced the audit team to the committee and laid out the process of the audit. He discussed some of the key financial highlights of the statements as well as some comparisons to national averages. Richard discussed how the Corporation’s investments are held to maturity and therefore the required fair value adjustment means very little to our financial statements.

Mr. Howard began with a brief introduction of the team and their expertise in the field as well as their role on the audit engagement. He discussed the challenges encountered in the prior year of fully understanding the complexities of the Corporation as compared to the current year which went much smoother and afforded the team the opportunity to become much more comfortable with our processes.

Mr. Howard went on to describe the nature of the annual audit, its areas of focus and scope of the audit, particularly relating to our compliance requirements and standards. He next outlined the results of work completed, including the resulting auditor’s reports on the finalized financials. The Corporation’s findings can be summarized as follows: (1) the Auditor’s Opinion is unqualified, (2) the Report on Internal Controls lists no material weaknesses or significant deficiencies, (3) the Audit of Major Federal Programs, complete with regard to the review of systems and procedures, is unqualified and notes no material control weaknesses or significant deficiencies, and (4) there are no observations in the Management Letter.

Mr. Howard then discussed the major federal programs which are required to be reviewed in accordance with OMB Circular A-133. In addition to the required programs, the team tested additional programs for compliance with program requirements and sufficient internal controls. There were no issues noted.

Mr. Howard reviewed other aspects of the audit, including matters required to be communicated to the Audit Committee under SAS 114, including a discussion of accounting policies, classification adjustments and other matters that might affect the audit. He noted that there were no difficulties encountered in the audit, nor were there any other issues to report in any of these categories.

While there were no material findings or weaknesses in any of the documents prepared by the auditors, a few suggestions were made that fall into the category of recommendations and best practices. These recommendations related to information technology and a more formalized approval on the allowance for loan loss.

A general discussion was held among Committee Members, staff and CCR.

The Audit Committee expressed satisfaction with the audit and accepted the audit and the auditor's report.

There being no further business, the meeting was adjourned at 9:30 a.m.

Respectfully submitted:

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Josh Brumberger  
Audit Committee Chair