

Rhode Island Housing

Minutes of the
Audit Committee Meeting
June 21, 2012

Board Attendees: Joseph Pratt (Committee Chair), Paul Dimeo
Staff Attendees: Richard Godfrey, Kara Lachapelle, Susan Bodington, Nicole Turner, Michael Milito
Outside Attendees: Steven Geremia and Molly O'Marra from LGC&D, LLP.

The Audit Committee of the Board of Commissioners convened at 10:00 a.m. to introduce LGC&D as the new auditors for Rhode Island Housing and to discuss the selection process and expectations for the current year audit.

Richard began the meeting by discussing the results of Standard and Poor's issuer credit rating report which highlighted Rhode Island Housing's strong equity base, quality of mortgage loans and investment portfolio and experienced and active management team. The report also discussed offsetting factors such as a reduction in profitability and increase in nonperforming assets. Richard discussed the specific initiatives Rhode Island Housing has in place to mitigate those offsetting factors. Richard pointed out that due to our large presence in the community and our involvement in homelessness prevention in the State of Rhode Island our profitability appears lower than those of other HFA's.

Richard then discussed the current year request for proposal process. The qualifications, experience and fees of all firms were analyzed and it was determined that the bid would be awarded to the lowest qualified bidder.

Mr. Geremia then discussed LGC&D and their history with Rhode Island Housing and other quasi-governmental agencies in Rhode Island. He discussed the audit process and the guidelines Rhode Island Housing is required to follow, and by which they would base their audit procedures. He discussed the significant financial statement focus areas and their risk based approach to accounting.

Mr. Pratt asked Richard if there were any areas in particular that he felt should be reviewed more closely. Richard responded that he had great confidence in the ability of LGC&D's to perform a strong audit and ensure all areas are audited properly.

The Audit Committee expressed satisfaction with the selection of auditors.

There being no further business, the meeting was adjourned at 10:20 a.m.

Respectfully submitted:

Joseph Pratt
Audit Committee Chair