

Rhode Island Housing

Minutes of the
Audit Committee Meeting
September 18, 2014

Board Attendees: Andrew Roos, James DeRentis
Staff Attendees: Richard Godfrey, Kara Lachapelle, Dora Garcia
Outside Attendees: Steven Geremia and Molly O'Marra from LGC&D, LLP., Steven M. Richard, ESQ. from Nixon Peabody LLP

The Audit Committee of the Board of Commissioners convened at 9:15 a.m. to meet with LGC&D, the auditors for Rhode Island Housing, to discuss the results of the current year audit.

Richard Godfrey began the meeting with the introduction of attendees.

Steve Geremia discussed the scope of the audit and the results of audit procedures performed. Mr. Geremia stated that the review work is substantially complete. Rhode Island Housing will receive an unmodified opinion on the financial statements. There was no material noncompliance and no material weaknesses in internal controls to be reported. After review by the Auditor General, the financial statements will be finalized by September 30th for submission to the state. Mr. Geremia also discussed the results of the A-133 single audit. Three major grant programs were tested and again no material noncompliance or material weaknesses in internal controls was found in the programs.

Mr. Geremia continued by discussing the significant accounting policies and procedures of the organization and how new accounting pronouncements affect the financial statements for FY 2014. He discussed the disclosure requirements associated with the changes in accounting policies related to GASB 65 and how these affect Rhode Island Housing. The biggest effect is seen in the deferred bond issuance costs, which are now required to be expended in the year the bond is closed. This change resulted in a restatement of the beginning net position for FY 2014 financial statements.

Mr. Geremia also discussed the significant estimates within the financial statements, such as the loan loss reserve and stated that the estimate was found to be reasonable. He stated that there were no significant unusual transactions and no alternative accounting treatments discussed with management. Mr. Geremia also discussed accounting adjustments required and internal control recommendations. He concluded that the audit process went well and no issues were encountered.

Mr. DeRentis asked if the audit looks at Rhode Island Housing's controls related to grants. Mr. Geremia responded by explaining what controls and compliance items are tested during the A-133 audit and as part of the financial statement audit procedures.

Mr. Roos asked what the Auditor General's Office looks at during their review. Ms. Lachapelle stated that they do a technical review of the financial statements but rely on LGC&D for the audit opinion.

There being no further business, the meeting was adjourned at 10:00 a.m.

Respectfully submitted:
