

NEW YORK CITY HOUSING AUTHORITY

**Minutes of Audit Committee Meeting
Tuesday, May 24, 2016**

Board and Audit Committee Members:

Derrick Cephas, Chair
Victor A. Gonzalez, Co-Chair (*Absent*)
Mark Kaplan, Independent Member
Richard Kuo, Independent Member
Wilma Huertas, Corporate Secretary

NYCHA Staff Members- Present

Karen Caldwell, Executive Vice President and CFO (*via conference call*)
Karina Totah, Vice President for Strategic Initiatives
Tricia L. Roberts, Director, Department of Internal Audit & Assessment
Jeffrey A. Pagelson, Controller, Accounting & Fiscal Services
Daniel Frydberg, Deputy Director, General Ledger Division, Accounting & Fiscal Services
Michael Hudick, Assistant Director, GAAP Analysis
Theresa Puccio, Treasury Director
Cindi Steinmetz, Director, Accounting Operations
Svetlana Cibic, Assistant Director, Treasury Department
Suleima Crosby, Director, Quality Assurance and Performance Management
Winston McCormack, Deputy Director, Department of Internal Audit & Assessment
Anil Agrawal, Assistant Director, Department of Internal Audit & Assessment
Hyacinth Jeffers, Assistant Director, Department of Internal Audit & Assessment

Deloitte & Touche LLP - Present

Michael Fritz, Lead Client Service Partner (*via conference call*)
Darshan Patel, Audit Senior Manager
Jill Strohmeyer, Audit Senior Manager
Bogdan Geambasu, Audit Manager

Guests - Present

David Rutter, Office of the State Comptroller

A meeting of the Audit Committee members of the New York City Housing Authority (the “Authority”) was held on May 24, 2016 at 2:00 pm in the Board Room of the Authority at 250 Broadway, New York, New York 10007. A quorum being present the Audit Committee Chair called the meeting to order at 2:00 PM.

I. Approval of Minutes

Upon motion duly made and seconded, the committee members unanimously approved the minutes of the April 11, 2016 Audit Committee meeting.

II. Consolidated Comprehensive Annual Financial Report (CAFR) for the Authority for 2015:

The Authority's Controller provided highlights of the Authority's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015. The Financial Statements presented in the CAFR were prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).

III. Comprehensive Annual Financial Report (CAFR) for NYCHA Public Housing Preservation I, LLC ("LLC I") for 2015:

The Authority's Controller provided highlights of the LLC I's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015. The Financial Statements presented in the LLC I CAFR were prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).

IV. Comprehensive Annual Financial Report (CAFR) for NYCHA Public Housing Preservation II, LLC ("LLC II") for 2015:

The Authority's Controller provided highlights of the LLC II's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2015. The Financial Statements presented in the LLC II CAFR were prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP).

V. SAS 114 Letter from Deloitte:

Deloitte's Partner discussed the Statement of Auditing Standards (SAS) 114 which covers the Independent Auditors' communication with the Audit Committee and senior management. Key points relating to this communication are that:

- Deloitte is an Independent Auditor with respect to the Authority, and the communication letter is required under AICPA's professional standards.
- The audit was performed in accordance with generally accepted auditing standards, generally accepted government auditing standards, and new Uniform Grant Guidance which replaced OMB Circular A-133.
- The Deloitte's Independent Auditor report contains an unmodified opinion.

Deloitte will present their Management Letter at the June Audit Committee meeting.

VI. Single Audit Report

Deloitte will issue a separate Single Audit Report on or about June 3, 2016. In accordance with the uniform guidance, the supplementary information, financial data schedules and the schedule of federal awards included in this report were also subject to auditing procedures. The report contains three minor findings, and the auditors verified that the four prior-year findings have been corrected.

VII. Approval of Reports

The Audit Committee members suggested that the reports be addressed to both the Authority Board and the Audit Committee. The motion was moved and seconded for the approval of the recommendation to the Board to approve the issuance of the financial statements, and the related

reports, for all three entities: (1) the Authority, (2) LLC I, and (3) LLC II for the year 2015. The Authority's Controller indicated that a Resolution has been prepared to be presented to the Board with regard to this matter. In addition, two Audit Committee Recommendation Letters have been prepared: one for the approval of issuance of the Authority's audited financial statements, and the other letter is for both LLC I and LLC II.

VIII. Internal Audit Plan

The Audit Director presented the revised 2016-2017 Internal Audit Plan to the Audit Committee, and explained the process undertaken to create the audit plan. The plan anticipates performing audits and assessments taking risks into consideration, such as areas to be impacted, impact on organization, etc.

IX. External Audits in Progress

The Audit Director also presented to the Audit Committee a summary of 2016 external audits in progress. The summary includes the audits currently in progress, and it does not include the external audits that had already been completed.

Adjournment

Upon motion duly made and seconded, and there being no further business, the meeting was then adjourned at 3:45 PM.