

MINUTES

Minutes approved by the Board
of Directors at its meeting held:

November 21, 2019

**California Housing Finance Agency (CalHFA)
Audit Committee Meeting
March 27, 2019**

Attest: Claire Tauriainen

Meeting noticed on March 14, 2019

1. ROLL CALL

The California Housing Finance Agency Audit Committee meeting was called to order at 11:01 a.m. by Chair Gunning. A quorum of members was present.

MEMBERS PRESENT: Gunning, Sotelo, Agee (for Ma)

MEMBERS ARRIVING
AFTER ROLL CALL: None

MEMBERS ABSENT: None

STAFF PRESENT: Tia Boatman Patterson, Don Cavier, Lori Hamahashi, Claire Tauriainen, Melissa Flores

PRESENTER: Mandy Merchant, Principal, *CliftonLarsonAllen*

2. APPROVAL OF MINUTES – November 13, 2018

The minutes were approved by unanimous consent of members present.

3. CHAIRMAN COMMENTS

None

**4. REVIEW AND DISCUSSION OF THE AUDIT RESULTS FOR FINANCE FUND
FY ENDING JUNE 30, 2018:**

Presented by Merchant

Merchant provided the Board with an overview of audit results from the California Housing Finance Fund Comprehensive Annual Financial Report (CAFR), the California Housing Finance Fund Popular Financial Report (PAFR), and the Single Audit Report. Her comments included:

- Early bond redemptions resulted in a decrease in cash and investments for the reporting period. The implementation of GASB 75 by CalPERS resulted in a \$12.7 million liability increase. She explained that the liability has

always existed, but due to state required reporting changes, it is now reflected in the audit.

- Single Audit of federal awards tested the Section 8 project-based cluster and there were no findings to report to the Board.
- A required deposit was not made in time to make the deadline of June 30, 2018. It was deposited on July 6, 2018. This did not result in a finding, but rather a comment in the Management letter from CLA.
- A new audit requirement is expected to be implemented at the beginning of 2020. The GASB 87 will require agencies to start accounting for leases, including leases for office equipment.

5. **DISCUSSION OF AUDIT SERVICES CONTRACT:**

Committee members and staff discussed extending the CLA contract for auditing services. A new team of auditors will be brought in from CLA to conduct future audits, with a 15% reduction in contract fees to the Agency. The Board agreed to a four year extension, with a one-year option, and will retain CLA as the Agency's independent auditor.

6. **PUBLIC COMMENT:**

None

7. **ADJOURNMENT:**

As there was no further business to be conducted, Chair Gunning adjourned the meeting at 11:49 a.m.

8. **HANDOUTS:**

- a. California Housing Finance Fund Results, June 30, 2018
- b. CliftonLarsonAllen Management Letter