



New York City Housing Authority
Department of Internal Audit & Assessment (IA&A)

Minutes of Audit & Finance Committee Meeting
June 11, 2024

Board and Audit & Finance Committee Members:

Victor A. González, Chair of Audit & Finance Committee (Vice Chair of NYCHA)
Mark N. Kaplan, Independent Member
Richard P. Kuo, Independent Member

NYCHA Staff Members - Present:

Annika Lescott-Martinez, Executive Vice President & Chief Financial Officer
Jeffrey Lesnoy, Vice President & Controller, Financial Accounting & Reporting Services
Amita Patel, Deputy Controller, Financial Accounting & Reporting Services
Ah-Yat Lee, Director, Financial Accounting & Reporting Services - General Ledger
Pakon Ho, Deputy Director, Financial Accounting & Reporting Services - General Ledger
Judith Francis, Assistant Director, Financial Accounting & Reporting Services (FARS) - General Ledger
David Sunshine, Accountant, Financial Accounting & Reporting Services - General Ledger
Jason E. Goldberg, Director & Chief of Corporate Affairs, Legal Affairs
Wilma Huertas, Special Advisor to the Chief Executive Officer
Cassie Ward, Vice President, Department of Internal Audit & Assessment
Anil Agrawal, Assistant Director, Department of Internal Audit & Assessment

Deloitte & Touche LLP – Present:

Jill Strohmeyer, Lead Engagement Managing Director
Darshan Patel, Senior Manager
Bobby Soni, Audit Manager

A meeting of the Audit & Finance Committee (“AFC”) members of the New York City Housing Authority (“NYCHA” or the “Authority”) was held on June 11, 2024, at approximately 10:10 AM.

Ms. Ward commenced the meeting by welcoming the AFC members and the attendees.

I. Approval of Audit & Finance Committee Minutes of April 16, 2024:

Mr. Gonzalez made a motion to approve the minutes from the April 16, 2024, AFC meeting. Mr. Kaplan seconded the motion. However, before voting on the April 16, 2024, AFC meeting minutes, Mr. Kuo stated that he wished to amend his statements made at the April 16, 2024 AFC meeting by striking the following language from the draft minutes: “Since NYCHA is not part of the City, I

believe NYCHA is also eligible to apply to and receive indirect cost reimbursement individually.”

Upon motion duly made by Mr. Gonzalez and seconded by Mr. Kaplan, the AFC unanimously approved the minutes of the April 16, 2024, AFC meeting subject to the amendment noted above.

II. Review of NYCHA (Consolidated): ➤ Annual Comprehensive Financial Report (ACFR) for 2023

Mr. Lesnoy commenced his presentation with a discussion of recent adoption of major Governmental Accounting Standards Board (“GASB”) statements, and their impact on accounting practices and 2023 financial reporting.

GASB 96 defines a Subscription Based Information Technology Arrangement (“SBITA”) as a contract that conveys the right to use another company’s software in a noncancelable transaction. It was implemented in 2023, with restated 2022 financial statements. Mr. Lesnoy noted the following:

- NYCHA reviewed about 150 contracts and determined that approximately a dozen were relevant to the SBITA.
- The cost of those contracts was less than \$10 million in 2023.
- Because these are treated as capital assets, they are depreciated. The actual net amount was approximately \$6 million in 2023 and approximately \$2 million in 2022.
- NYCHA was concerned initially that there might be a material issue related to this. However, it has been determined not to be a material amount but still requires disclosure in the financial statements.

NYCHA implemented GASB 87 related to leases in 2022, during which time 2021 financial statements were restated. GASB 87 established a uniform approach to lease accounting based on the principle that leases are financings of the underlying assets. Mr. Lesnoy noted the following:

- NYCHA continues to see a very significant impact on the financial statements.
- For the most part, the GASB 87 impact is from office leases for 90 Church, 250 Broadway, and a couple of other smaller offices.
- NYCHA also has some mobile boilers which are not particularly large but are still recorded.
- Overall, NYCHA has over \$700 million in leased assets (net), which will continue to depreciate over the life of our leases.

NYCHA also adopted GASB 94 (Public Private Partnerships) in 2023 but has determined that there were no qualifying transactions. On review of potential transactions, NYCHA determined that the “exchange-like transactions” criteria was not met.

Mr. Lesnoy summarized the GASB impact by stating that NYCHA determined whether each GASB had an impact and implemented where appropriate.

Mr. Lesnoy discussed some of the highlights of 2023, starting with an update on rent and collection activities.

Rent collections in 2019 were \$1.058 billion, which started to decrease in 2020 with the onset of the

pandemic and decreased further over subsequent years. In 2023, NYCHA's rent collections increased significantly over prior year.

NYCHA received \$124 million of NY State Emergency Rental Assistance Program (ERAP)¹ collections in 2023. NYCHA's rent collection excluding ERAP funds amounted to \$904 million. That represents a 4% net increase in rent collections despite 5,200 fewer units on NYCHA's rent roll in 2023 due to Permanent Affordability Commitment Together (PACT)² transactions. NYCHA is starting to see improvement in rent arrears, which primarily dropped in 2023 due to ERAP collections. However, the positive impact of ERAP on arrears was partially offset by the fact that certain tenants continued to not make rent payments.

Mr. Lesnoy also discussed the pollution remediation obligation pertaining to lead-based paint. NYC Local Law 66,³ which requires stricter standards for lead and retesting of all units, significantly affected how many apartments are required to be abated or remediated. The lead testing from this year resulted in a positivity rate of 43% compared to last year's 35%. Previously, NYCHA based estimates on the best data available at the time in the sampling of the population, but the positive population has increased, which, independent from other factors, resulted in over a \$700 million increase in the pollution remediation obligation from last year (2022) to this year (2023).

Mr. Gonzalez commented that it sounds like a positive impact in a number but a negative impact in another aspect, since NYCHA has to repeat testing that was already performed, even for apartments that had already passed testing. Mr. Lesnoy agreed and elaborated that NYCHA incurred over \$150 million in costs due to additional testing. In clarifying, Mr. Lesnoy explained that the positivity rate is the percentage of apartments in which NYCHA's testing found lead above the acceptable level. So, the higher that percentage, the higher the cost because more apartments are going to have to require abatement. These factors are causing the liability to increase.

Mr. Gonzalez inquired about what happens to those numbers if any of these units are converted to RAD. Mr. Lesnoy explained that on an annual basis, NYCHA removes the related pollution remediation obligation for RAD (PACT) developments from NYCHA's Statement of Net Position. Per GASB 49, NYCHA's obligations exist only up to the point when the apartment units have been transferred to a third-party developer.

Mr. Lesnoy discussed major items related to the financial statements, including the following:

- Operating revenues decreased by \$86 million (or 8%) to \$976 million, which was driven by the ERAP issue. In 2022, NYCHA anticipated (and accrued for) over \$100 million of ERAP recoveries. Accordingly, NYCHA reduced the allowance for doubtful accounts in 2022 and

¹ ERAP was created by New York State to assist tenants with low to moderate income impacted by the Covid pandemic with rental arrears and utility arrears payments. NY State stopped accepting ERAP applications after January 20, 2023. In May 2023, the State legislature passed a budget bill that included \$128 million in ERAP funds and an additional \$35 million in rent support for NYCHA, totaling \$163 million.

² The PACT program creates public-private partnerships to rehabilitate and manage the developments. It generates a sustainable funding source for extensive repairs and ongoing property management while guaranteeing permanent affordability and protecting tenant rights. PACT is New York City's implementation of the federal government's Rental Assistance Demonstration ("RAD"), which includes collaboration between NYCHA, residents, and housing advocates.

³ Local Law 66 requires lead to be abated of at a lower reading of 0.5 mg per square centimeter from the previous standard of 1.0 mg. per square centimeter.

increased the rent revenue in 2022. However, the cash actually was received in 2023. So the reduction in 2023 operating revenues is not necessarily a negative sign in the trend of NYCHA business; it is more a reflection of the accrual method of accounting for the transaction in the appropriate time period.

- Operating expenses increased by \$453 million (or about 10%) to \$5.2 billion. Included within operating expenses is rent for leased dwellings (Section 8 payments), which increased by \$211 million, due to higher Housing Assistance Payments per voucher and an increase in the number of voucher units. This expense was completely offset by the Section 8 Housing Choice Voucher subsidy.
- General reasons for increases in NYCHA's operating expenses include inflationary increases which have been seen in overall costs. In addition, NYCHA also has some gross wage increases for various unions and other groups of employees, which were processed mainly in 2024 from a cash perspective; however, many of these were accrued in 2023, resulting in an increase in 2023 expenses.
- OPEB (Other Post-Employment Benefits) increased by \$21 million due to a change in the discount rate assumption by the Office of Actuary. The discount rate for 2022 was 4.31%, but the discount rate in 2023 was 4.00%.
- Depreciation expense continues to increase because NYCHA continues to make investments in capital expenditures and building improvements.
- Partially offsetting the above expenses is a utility decrease of about \$38 million.
- In non-operating revenues, subsidies and grants increased by \$378 million - one of the largest components is a Section 8 Housing Choice Voucher subsidy that went up by \$258 million and has a direct relationship to the expense increase noted earlier.
- NYCHA has also seen \$112 million increase in the public housing subsidy from the United States Department of Housing and Urban Development ("HUD").
- The City subsidies are down from 2022, but not significantly.
- Investment income was \$16 million higher in 2023 due to higher interest rates, generally on depository accounts.
- There was a \$17 million net loss on real estate transactions in 2023, primarily due to allowances on uncollectable accounts on certain loans and notes.
- The positive change in fair value of investments on the bond portfolio was \$19 million in 2023, in contrast to a \$42 million loss in 2022. This was the result of midterm interest rates which dropped in 2023 and caused a change in how the portfolio is valued. The bond portfolio is valued on mark-to-market basis. These bonds were issued generally in the 1% range (plus or minus) before the pandemic, but the interest rate increased in 2022, resulting in a large loss on the mark-to-market basis in 2022. But because mid-term interest rates dropped slightly in 2023, NYCHA recovered some of that loss. This is all a moot point if NYCHA holds these bonds to maturity as bonds would be redeemed at face value with no gain or loss. However, the accounting standards require this mark-to-market treatment.

Mr. Kaplan commented that the mark-to-market rule reduced the value of the bonds but since they will be held to maturity, there will not be a cash loss at that time. Mr. Kaplan asked whether that point is clarified in any document. Ms. Strohmeyer explained that GASB does not require such disclosure in the footnotes to the financial statements; however, it can be considered for Management Discussion & Analysis

(MD&A”) purposes. Mr. Lesnoy added that we can evaluate this matter and determine if we need to add it in the MD&A.

Mr. Lesnoy continued his discussion of the financial statements:

- Special item⁴ “pollution remediation cost” relates to the change in lead positivity in addition to potential change in other lead related assumptions which are relatively minor in the scheme of things.
- Capital contributions of \$1.093 billion in 2023 went up by \$287 million from last year. The biggest change was the federal public housing capital fund, which increased by \$184 million to \$511 million in 2023.
- The net position was \$942 million as of December 31, 2023, compared to \$1.2 billion at the end of 2022.
- Total cash and Investments (current and non-current) is \$1.187 billion as of December 31, 2023 versus \$1.284 billion as of December 31, 2022, for a \$97 million decrease largely due to continuing shortfalls in rent collections versus billed amounts, growing expenses and some timing differences in reimbursements from the City and other grantors.
- The decrease in tenants’ receivable was primarily a result of ERAP funds received during 2023 and amounts received from FEMA.
- Capital assets increased by \$693 million, to \$10.4 billion, due to continuing increase in building improvements. These capital assets include \$746 million net right to use assets and \$6 million right to use subscription-based technology arrangements assets.
- Current liabilities were \$1.49 billion - \$121 million lower than 2022. Much of this reduction was due to decreases in the current portion of lead paint remediation cost, resulting from timing differences versus prior expectations. While the total pollution remediation obligation has increased significantly, NYCHA has reallocated some of the current portion to noncurrent because historically the tasks were not completed as fast as expected.
- OPEB liability increased by \$210 million largely due to a decrease in the discount rate from 4.31% to 4.00%.
- Pollution remediation liability non-current increased by \$723 million largely due to the increase in lead positivity rate.

In response to Mr. Kaplan’s inquiry on whether the lead abatement liability amount is adjusted for inflation, Mr. Lesnoy stated that GASB 49 requires the amount to be calculated on a current cost basis. It does not allow for the inclusion of an inflation factor when the lead abatement liability estimate is calculated. Ms. Lescott-Martinez added that the liability amount does not include an inflation adjustment; however, with PACT conversion, costs will go down in future due to a smaller number of units remaining in NYCHA’s portfolio. She also stated that NYCHA can take another look at the MD&A section to see if more information could be added.

⁴ Per GASB 34, a special item is a significant transaction or other event within the control of management that is either unusual in nature or infrequent in occurrence.

Mr. Kuo inquired whether PACT units are exempt from lead requirements. Mr. Lesnoy responded that they are not exempt from the lead remediation requirements, but they are not part of NYCHA's financial statements after conversion.

Regarding The City's commitment under the 2019 HUD agreement, Mr. Kuo inquired about how much money has been received from the City. Ms. Lescott-Martinez stated that it is done on a reimbursement basis. The funding is in the City budget, and it is allocated to NYCHA. After NYCHA spends the money and submits for reimbursement, the money is received. However, NYCHA has not been spending the money quickly enough to be able to get it from the City. Initial commitment in the City's budget in 2019 was \$2.2 billion. However, that amount was up to \$3.2 billion in 2023, because every year until NYCHA fulfills the requirements in the Agreement, the City adds an additional \$200 million.

Mr. Lesnoy agreed that it is on a cost reimbursement basis, and further added that for example, about \$750 million was allocated to lead abatement and most of that has not been spent yet. The reimbursement process has begun where some money has been spent, but it is not an instantaneous process to receive the cash. As a result, very little amount of the \$750 million is included in NYCHA's 2023 financial statements.

In response to Mr. Kuo's query regarding why NYCHA didn't receive the ERAP money in 2022, Ms. Lescott-Martinez explained that NYCHA public housing residents, as well as Section 8 residents, were deprioritized when New York State made an initial decision regarding ERAP funds. Over the course of 2022 and into May 2023, with tenant support, NYCHA was successfully able to advocate on behalf of tenants, and since then the ERAP money has been flowing to NYCHA on behalf of our tenants.

Mr. Lesnoy provided additional details regarding NYCHA's financial statements: NYCHA had originally estimated receiving \$116 million of ERAP funds when finalizing the 2022 financial statements. This estimate was fairly close, as NYCHA actually received \$124 million through December 31, 2023. The number has now gone up to close to \$158 million as of the time of this meeting, some of which may have to be returned to different parties (e.g., to developers). NYCHA is still checking what the final balance will be, but it was a successful project. Ms. Lescott-Martinez expressed "special thank you" to the Revenue and Receivables team within FARS group, who were diligent about working through all the issues on ERAP and getting those funds for the tenants.

Mr. Lesnoy concluded his presentation of the consolidated financial statements for NYCHA with a review of the statement of cash flows, highlighting the first line-item "cash received on behalf of tenants." This increased from \$869 million in 2022 to \$1.027 billion in 2023, which was a direct result of ERAP fund in the amount of \$124 million plus an additional 4% increase in our rent collections from the prior year due to an improvement in tenant rent payment patterns.

Mr. Lesnoy asked whether there were any questions. The AFC members made some editorial comments to be considered in the final document⁵ and raised additional questions, as noted below.

⁵ Based on changes suggested by AFC members, certain updates and corrections were subsequently made in the final financial statements.

Mr. Kaplan raised concerns regarding claims payable of approximately \$300 million for workers' compensation cases and what is being done about how the workforce and the workers' injuries are managed. Ms. Lescott-Martinez stated that NYCHA will reach out to operations and management to get an answer.

Mr. Kuo raised a question regarding why workers' compensation and general liability are charged to individual developments. Mr. Lesnoy explained that NYCHA is required to prepare and submit a financial data schedule to HUD, where financial components are broken down by AMP,⁶ which is made up of one or multiple developments. In this schedule, all costs incurred at development are required to be charged to a development. In addition, other costs that are incurred at the central office are also required to be allocated to developments/AMPs.

Mr. Kaplan asked whether the disclosures in the Authority's financial statements are the same as they are in the City's financial statements. Mr. Lesnoy responded that the disclosures are presented as required under the GASB. NYCHA does not necessarily try to replicate everything the City does, but the financial statements are approximately the same. The City's financial statements probably have some more details and bigger numbers than NYCHA has.

Mr. Kuo asked why there was a significant uncertainty regarding collection of the notes related to PACT transactions. Mr. Lesnoy responded that it is less of an accounting issue and more of an economic issue. Based on past history, NYCHA has little expectation of collecting cash on these transactions. The economics of the transactions do not really provide enough cash flow for the developer to pay off the loans. The seller's notes are based on positive cash flow; so if there is no positive cash flow, there is no collection.

Since there were no other questions on the NYCHA's Annual Comprehensive Financial Report for 2023, Ms. Ward requested that Mr. Lesnoy provide a presentation on the 2023 Annual Comprehensive Financial Report for NYCHA Public Housing Preservation I, LLC.

III. NYCHA Public Housing Preservation I, LLC ("LLC I"): Annual Comprehensive Financial Report (ACFR) for 2023

Mr. Lesnoy provided a brief presentation on financial information for LLC I, including the following highlights:

- LLC I's financial statements include much of the same common factors discussed related to the NYCHA financial statements, such as pollution remediation obligations, rent collections, inflationary costs, etc.

⁶ HUD published the Operating Fund Program final rule ("final rule") on September 19, 2005, requiring public housing agencies ("PHAs") to convert to asset management. The final rule required PHAs to manage their properties according to an asset (project-based) management model, with a goal to improve the operational efficiency and effectiveness of managing public housing assets. HUD's PIH Notice 2006-10, Identification of Projects for Asset Management, issued on February 3, 2006, provided instructions to PHAs in making such project identification and assigning Asset Management Projects (AMPs) for budgeting and accounting purposes. PHAs are required to electronically submit year-end financial information to the HUD Real Estate Assessment Center for all AMPs, in addition to entity-wide financial information. Please note that one AMP can be comprised of several developments.

- There was a drop in the Tenant Revenues, net in 2023 - about \$5 million - which is largely due to the \$10 million accrual adjustment made in 2022 for the expectation of 2023 ERAP collections. Such monies were collected in 2023 as expected. The cash flow received for tenants increased from \$76 million in 2022 to \$93 million in 2023 due to ERAP collections and improvement of normal rent payments from tenants.
- Total operating expenses increased by \$8.4 million, or 3.6%, mainly due to general inflationary increases and gross wage increases.
- Subsidies increased by \$10.6 million: \$6 million from Section 8 Housing Choice Voucher program, with most of the remainder of the increase from NYCHA subsidies.
- There is a special item related to pollution remediation obligation costs (~\$80 million), which largely relates to the same positivity percentage increase in lead paint as discussed for NYCHA.
- The statement of net position shows that cash increased by \$4.6 million, much of which was due to the replacement reserve which continues to build and which NYCHA funds for capital improvements.
- Capital assets increased by \$17 million, largely due to Local Law 11 facade work, brick work, roofing, etc.
- “Due to NYCHA” liability increased by \$32 million, which is the symptom of LLC I's cash flow constraints. LLC I has been affected, as NYCHA, by declining tenant rent collections and increasing expenses over time, which resulted in their slowdown of their repayments of the liability to NYCHA.
- There was an increase of \$66 million in total (current and non-current) pollution remediation liability due to the increase in positivity in lead.

Mr. Gonzalez requested an explanation regarding a footnote which states that all revenues, expenses, and changes in net positions are reported on the accrual basis of accounting which reports the event as it occurs rather than when cash changes hands (cash basis of accounting). Mr. Lesnoy explained the concept of accrual basis versus cash basis by giving an example of a transaction, in which NYCHA receives pencils costing \$10 on December 31st; however, NYCHA does not receive an invoice or pay until the following year. The accounting requirements are very clear that NYCHA needs to accrue for this expense in the year in which we ordered and received the goods or services.

Mr. Kaplan raised concern about who the Independent Auditor’s Report for LLC I was addressed to. Ms. Lescott-Martinez indicated that she would look into the matter to see whether it can be updated to address the general NYCHA Board and the AFC.

The AFC members also made some editorial comments to be considered in the final document.⁷

In the closing remarks, Mr. Kaplan stated that the AFC members appreciate NYCHA’s efforts in keeping up with the inherent complexities in preparation of the financial statements. Mr. Lesnoy responded that NYCHA appreciates the recognition and added that all the recognition goes out to the Finance team.

⁷ As previously stated, based on changes suggested by AFC members, certain updates and corrections were subsequently made in the final financial statements.

IV. Recommend Approval of The Consolidated Annual Comprehensive Financial Report for 2023 To The Board

Upon motion duly made by Mr. Kaplan and seconded by Mr. Kuo, the AFC unanimously voted to recommend the Consolidated Annual Comprehensive Financial Report for 2023 for approval by the NYCHA Board.⁸

V. Deloitte's Audit Committee Letter (SAS 114 Letter) and Management Representation Letter for 2023 Audit

Ms. Strohmeyer discussed the Statement of Auditing Standards (“SAS”) 114 which covers the Independent Auditors’ required communication with the Audit Committee and senior management.⁹ Key points relating to this communication were that:

- Deloitte is an Independent Auditor with respect to the Authority, and audited the financial statements for the NYCHA and LLC I for the year ended December 31, 2023.
- Deloitte has issued unmodified opinions for both of these entities for the years ended December 31, 2022 and 2023. Both of these opinions look very similar to last year, except for one change related to NYCHA’s opinion, which refers to the adoption of GASB 96 for the SBITA, as mentioned earlier by Mr. Lesnoy.
- The financial statements were audited in accordance with two (2) sets of auditing standards: the auditing standards set forth by the American Institute of Certified Public Accountants (“AICPA”) and the Government Auditing Standards set forth by the Comptroller General of the United States.
- Deloitte is currently in the process of completing the audits of the financial statements for the two (2) entities. The final reports on the financial statements are expected to be issued in one (1) week.
- The Authority’s significant accounting policies are set forth in Note 1 to the Authority’s 2023 financial statements. The auditors were not aware of any significant changes in previously adopted accounting policies or their application, except for the adoption of the new standards GASB 96.
- Accounting estimates are an integral part of these financial statements that are prepared by management, and they are based on judgments of management. Appendix A to this document lays out some of the more significant accounting estimates and some of the assumptions that management had in determining amounts recorded in the financial statements.
- The purpose of the audit of the financial statements is to obtain reasonable, not absolute, assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud.
- There were no uncorrected misstatements that were identified by the audit team during the audits of NYCHA and LLC I. In addition, there were actually no material corrected items that were brought to the attention of management.
- There was no disagreement with management with regard to the financial statements, and the auditors received full cooperation from management as well as the executive management team during the course of the audit.

Ms. Strohmeyer thanked her audit team, especially Mr. Soni and Mr. Patel, for their efforts and dedication in completing the audit. She also thanked all the NYCHA management team, and Mr.

⁸ Upon separate motion duly made by Mr. Kaplan and seconded by Mr. Gonzalez, the AFC unanimously voted to recommend the 2023 Financial Statements and the related report for LLC I for approval by the Board.

⁹ It is also called “those charged with governance” letter.

Lesnoy, Ms. Lescott-Martinez, Ms. Huertas, and all of their teams for getting all the audit evidence and support needed to bring this audit to completion.

Ms. Strohmeyer stated that in the September AFC meeting, Deloitte plans to issue a separate report relating to the Authority's Internal control Over Financial Reporting and on Compliance and Other Matters that were identified during the performance of the audits, as well as the Management Letter Comments. Also, in September, the Deloitte audit team will be able to report on the results of the Single Audit which is due to be filed on or before September 30, 2024.

Ms. Strohmeyer further discussed the draft Management Representation Letter, which was attached as Appendix B to the Audit Committee Letter. This is a key piece of audit evidence that Deloitte is required to receive from NYCHA prior to the issuance of the audit opinion. For the ease of the AFC review, it will be presented in track changes mode from the prior year. Most of the changes are rather simple grammatical changes and slight wording changes. (Note that management had not reviewed and edited this letter prior to the draft being issued and certain changes were agreed to prior to executing the letter.) Ms. Strohmeyer highlighted a couple of significant changes between the 2022 representation letter and the 2023 draft. First, the representation related to the net investment in capital assets item was not needed in 2023 and was removed from the letter. In addition, prior representations related to GASB 87 and GASB 91 have been replaced with GASB 96 and GASB 94 related language.

Following Mr. Kuo's query, Ms. Strohmeyer confirmed that there are no material findings related to the financial statement audit. The audit team is still in the process of completing the Single Audit, and any findings that may result from the Single Audit work will be communicated to the AFC in the September meeting.

VI. Deloitte's Status Update On 2023 Single (Compliance) Audit

Ms. Strohmeyer invited Mr. Patel, Senior Manager and Single Audit Specialist, to report progress related to the Single Audit.

Mr. Patel advised the AFC that Deloitte is auditing the following three (3) programs for Fiscal Year 2023:

- Public and Indian Housing - Operating Grants – ALN¹⁰# 14.850
- Public Housing and Indian Capital Fund - ALN# 14.872
- Community Development Block Grants – ALN# 14.218

The deadline for completing the audit is September 30, 2024. The Deloitte audit team has requested documentation necessary to perform the audit, and management is in the process of providing the documentation.

Mr. Patel concluded his remarks on Deloitte's status of the 2023 Single (Compliance) Audit.

¹⁰ The Assistance Listing Number, formerly known as the Catalog of Federal Domestic Assistance (CFDA) Number, is a five-digit number assigned in the awarding document for all federal assistance award mechanisms, including federal grants and cooperative agreements. The first two (2) digits of the Assistance Listing Number reflect the major federal agency. The final three (3) digits (following a decimal) indicate the federal program funding the project.

Adjournment

Ms. Ward thanked everyone for their participation in the meeting. Upon motion to adjourn the meeting duly made by Mr. Kaplan and seconded by Mr. Kuo, the AFC unanimously approved the motion to adjourn the meeting at 12:09 PM.

The next meeting is scheduled for September 13, 2024, at 10:00 AM.

DRAFT