



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
AUDIT COMMITTEE MEETING MINUTES
Friday, January 17, 2025**

The meeting of the Audit Committee of the Illinois Housing Development Authority took place on Friday, January 17, at 9:00 a.m. at 111 East Wacker Drive, Chicago, IL. Attending the meeting were Audit Committee Chair Mr. Tom Morsch, Mr. King Harris, Ms. Luz Ramirez, Ms. Karen Davis, Mr. Daniel Hayes, Mr. Brice Hutchcraft, Ms. Claire Leopold, Ms. Erika Poethig, and Mr. Sam Tornatore. Attending from IHDA's Executive team were Ms. Kristin Faust, Mr. Lawrence Grisham, Mr. Seth Runkle, and Ms. Christina McClernon. Guests today were Ms. Mandy Merchant of Clifton, Larson, Allen LLP and Mr. Tom Kizziah from the Illinois Office of the Auditor General.

I.A. Mr. Morsch called the meeting to order at 9:00 a.m.

I.B. Ms. Geishecker called the roll. Audit Committee Chair Morsch, Chairman Harris, Mr. Hayes, Mr. Hutchcraft, Ms. Leopold, Ms. Poethig, Vice Chair Ramirez, and Mr. Tornatore were present. Ms. Berg was absent.

I.C. Mr. Morsch called a motion for the approval of the December 20, 2024, minutes to be approved as presented. Motion carried.

II.A. FY2024 Financial Audit Update

Mr. Runkle stated: We want to inform you that our financial statement was concluded on time. He then introduced Ms. Mandy Merchant of Clifton, Larson, Allen LLP.

Ms. Merchant stated: She wants to present our results of the 6/30/24 audit and well as update on where we are with the other reports. Today we will discuss the Audit scope, opinions, and communications, review the Financial Audit results, update on the Federal and State Compliance Audits, and review significant audit changes and GASB pronouncements. Ms. Merchant introduced Mr. Tom Kizziah from the Illinois Office of the Auditor General.

Ms. Merchant continued: The scope of the audit is as follows: 1. Report on the Authority's financial statements, 2. Report on internal control over financial reporting and compliance, 3. Report on internal control over compliance with major program requirements, 4. Submission to Federal Audit Clearinghouse, and 5. Report State compliance and internal control over compliance. The Audit Opinions are as follows: The Financial statement is unmodified or clean opinion, Federal Compliance opinion is not yet issued, nor is the State Compliance Examination. The Audit Results show no material weaknesses and one significant deficiency. As stated in the opinions, neither the Federal nor State Compliance exams are complete.

Ms. Merchant continued: We did issue the Financial Audit Opinion in November '24 and the

OAG released the report in December '24. The three prior Audit Findings from 2023 did not repeat in 2024. The current audit identified one significant deficiency, Inadequate Controls over Subscription-Based Technology Agreements. This related to a reclassification adjustment that had not been properly reversed resulting in an approximately \$839K misstatement.

Ms. Merchant stated: The Federal Compliance report has not yet been dated as the audit is still ongoing. The projected report date is early February. The combined report consists of two reports of the Single Audit Report and Yellow Book Report on Internal Control. There will be a schedule of findings and questioned costs. The Single Audit will focus on the following major programs, Emergency Rental Assistance, Homeowners Assistant Fund, and COVID-19 State and Local Fiscal Recovery Funds. There are no prior year findings from FY23. Regarding the State Compliance Report, this is a two year audit, and the report has not yet been dated as the audit is ongoing. The expected completion is early February. This combined report consists of Independent Accountants' Report on State Compliance and Internal Control over Compliance. There will be follow-up on the seven significant deficiencies in internal control and non-compliance.

Ms. Merchant concluded: The GASB 101 accounting changes for Compensated Absences or Paid Time Off, there is a change coming this year stating that everyone is doing this but not the same way. The biggest item is sick leave, it will need to be more universal, i.e., is it paid out when someone leaves, is it paid out partially, etc. The accounting for this will need to be reevaluated, liability must include any accumulated leave that is unused or used by unpaid, and footnote disclosures will be updated. Examples of this are sick leave, parental leave, and military leave and jury duty.

III. Mr. Morsch adjourned the meeting at 9:19 a.m.