



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
AUDIT COMMITTEE MEETING MINUTES
Friday, January 16, 2026**

The meeting of the Audit Committee of the Illinois Housing Development Authority took place on Friday, January 16, 2026 at 9:00 a.m. at 111 East Wacker Drive, Chicago, IL. Attending the meeting was Audit Committee Chair Mr. Tom Morsch, Mr. King Harris, Ms. Sonia Berg, Ms. Luz Ramirez, 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, Ms. Karen Davis, and Ms. Christina McClernon. Guests today were Ms. Mandy Merchant and Mr. Kevin Rogers from CliftonLarsonAllen LLP, and Mr. Quentin Kuntzman 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. Davis called the roll. Audit Committee Chair Morsch, Chairman Harris, Mr. Hutchcraft, Ms. Leopold, Ms. Poethig, Vice Chair Ramirez, and Mr. Tornatore were present. Ms. Berg and Mr. Hayes were absent.

I.C. Mr. Morsch called a motion for the approval of the September 19, 2025, minutes to be approved as presented. Motion carried.

II.A. FY2024 Financial Audit Update

Mr. Runkle stated: We are joined by Ms. Mandy Merchant and Mr. Kevin Rogers from CliftonLarsonAllen LLP, along with Mr. Quentin Kuntzman from the Illinois Office of the Auditor General.

Ms. Merchant stated: Today's discussion will include the engagement scope, financial audit results, required governance communications, the federal compliance single audit update, and the upcoming GASB standards for 2026.

Mr. Kuntzman stated: Under the Illinois State Auditing Act (ISAA), the Auditor General performs the annual financial audits, as well as the biennial compliance audits. We also examine the single audit, and if IHDA meets the requirements for that to occur. For the last six years, CliftonLarsonAllen LLP has been contracted as the special assistant auditors.

Mr. Rogers stated: The financial audit report was dated December 5, 2025, and the OAG released December 18, 2025. The financial statement received an unmodified (clean) opinion. For both internal controls and compliance, there were no material weaknesses or significant deficiencies. In relation to significant accounting policies, with no changes from the planned scope. Adoption of GASB 101 for compensated absences was noted. Governance communications reviewed four key estimates: loan losses, losses on real estate held for sale, losses on real estate owned, and fair value of investments and derivatives. There were no significant difficulties

encountered in performing the audit and no disagreements with management. No adjustments were noted on the Schedule A/B letter, and no new accounting policies were adopted in FY2025. IHDA consulted Crowe LLP for financial reporting assistance, consistent with previous years.

Mr. Rogers continued: The federal compliance report is still in progress, with a projected release in early February. It will include the Single Audit Report, Yellow Book Report on Internal Control, and a schedule of findings and questioned costs. For the single audit, major programs under review include the HOME Investment Partnerships Program and Section 811 Project Rental Assistance Program. There are no prior-year findings from FY2024 and none currently for FY2025.

Ms. Merchant concluded: Upcoming GASB standards include GASB 103 and GASB 104. GASB 103, covering financial reporting model improvements, will be effective June 30, 2026. GASB 103 will update disclosure guidance for MD&A consistency, proprietary fund statements, and budgetary comparison information. GASB 104, disclosure of certain capital assets, will also be effective June 30, 2026. GASB 104 will clarify disclosures for leased assets, subscription assets, and other intangible assets. The GASB implementation guide 2025-1 will provide additional guidance on cash flow reporting, subsidies, lease term and modifications, and accounting changes and error corrections. CliftonLarsonAllen LLP will assist IHDA with evaluating financial statement presentations and disclosure updates related to these changes.

Mr. Morsch concluded the audit with appreciation for the collaboration and work done by the Authority, with emphasis on the continued efforts of the Accounting Department.

III. Mr. Morsch adjourned the meeting at 9:18 a.m.