

## TRANSCRIPT OF AUDIT COMMITTEE MEETINGS HELD ON JANUARY 27, 2022

Alejandro J. Valella, Vice President and Deputy Counsel to the Agencies, stated that he will now open the January 27, 2022 meetings of the Audit Committee of the New York State Housing Finance Agency, the State of New York Mortgage Agency, the Affordable Housing Corporation, the State of New York Municipal Bond Bank Agency and the Tobacco Settlement Financing Corporation and noted that legislation signed by the Governor on January 14, 2022 in response to the continuing impact of COVID-19, extends the exemption to the Open Meetings law that provides that public bodies may meet to take actions without permitting in public in-person access to such meetings and authorizes meetings to be held remotely by conference call, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.

Mr. Valella also stated that the Audit Committee meetings would be held by conference call instead of as a public meeting open for the public to attend in person, and that a call-in number was made public for the public to listen to the proceedings.

Mr. Valella noted that because of these special features a change in voting procedures would be put in place for this meeting and he would be asking each Committee member to record their votes individually.

Mr. Valella asked for a motion to call the meeting of the HFA and AHC Audit Committees to order. Chairman Adams made the motions and Mr. Curtis seconded. Mr. Olczak voted aye; Mr. Valella noted the presence of a quorum for HFA and AHC.

Mr. Valella asked for a motion to call the meeting of the SONYMA Audit Committee to order. Chairman Adams made the motion and Mr. Olczak seconded. Ms. Miller voted aye. Mr. Valella noted the presence of a quorum for SONYMA.

Mr. Valella asked for a motion to call the meeting of the MBBA and TSFC Audit Committees to order. Ms. Miller made the motion and Mr. SanFilippo seconded the motion. Mr. Olczak voted aye and Chairman Adams voted aye. Mr. Valella noted the presence of a quorum for the MBBA and TSFC.

Chairman Adams proceeded to present the first item as **the approval of the transcript of the Audit Committee meeting held on December 9, 2021.**

**Chairman Adams noted that the next item on the Agenda was a resolution recommending approval of the Fiscal 2021 Financial Statements and Schedule of Investments. He noted that in connection with this item, and in preparation for filing under the Public Authorities law, staff prepared and distributed to the Boards a Power Point presentation highlighting key points from the Financials about to be presented as well as a detailed programmatic summary of the past year's activities. Chairman Adams stated that if Board members have questions or comments on the Power Point, they should feel free to raise them as part of this item.**

Ms. Robinson, the Agencies' CFO introduced the staff members who would be making a presentation on the financial statements and noted that they would go over certain slides found in the Power Point. Mr. Johnson summarized changes in revenues, expenses and changes in net position, and presented a short summary of the 2021 Financial Statements and Schedule of Investments. He highlighted that the Agencies were each fiscally healthy and productive. He noted that there was a typo in one of the slides,

and that SONYMA's net position during this fiscal year increased by \$27 million, not the \$15 million noted on the slide.

Chairman Adams noted that a \$15 million typo, to the effect that the position was \$15 million to the better, was a good typo.

Mr. Johnson summarized the slides on net position and activity during the last fiscal year, emphasizing that the HFA decrease in net position was caused by the decrease in bonding activities and concomitant fee collections, caused primarily by a drop in issuances due to the COVID situation. He noted that MBBA and TSFC remained as in recent years: TSFC no longer has bonds outstanding and for the time being serves as collector of the tobacco settlement payments due to New York State as part of the Master Settlement Agreement with the tobacco companies. Those funds come into TSFC yearly and are set aside for distribution to New York State per DOB instructions. MBBA did not issue any bonds during the period and collects funds to pay its outstanding bonds and its administrative fees.

The presentation was followed by a detailed presentation from representatives of Ernst & Young on the results of the audit. They noted that they were delivering a clean opinion, with no exceptions, that they had received excellent cooperation from staff, particularly from the Accounting department. They noted that the audit was accomplished in a completely "virtual" manner, due to the Pandemic, and that Ernst & Young was highly appreciative of the Agencies' staff.

Chairman Adams thanked Ms. Robinson's staff, as well as the auditors for completion of the audit under these trying conditions.

Ms. Robinson thanked her staff for the work during trying times. She added that this would be her last yearly audit at the Agencies, as she was retiring in the upcoming months. She noted that the fiscal constraints surrounding how much our Agencies can pay qualified job candidates had exacerbated the personnel constraints caused by the need to fill six Accountant positions and were a source of deep frustration to her. She felt she could no longer continue working under such constraints and urged the Board to work to resolve those issues. She thanked her staff, particularly her Deputy Mr. Johnson and urged that he be appointed her successor as CFO. Mr. Johnson thanked Ms. Robinson for her unwavering support and faith in his abilities. Chairman Adams thanked Ms. Robinson for her work at the Agencies and at ESD where she served as CFO during Chairman Adams tenure there. He wished her the best and noted she would be missed.

Mr. Valella asked Ernst & Young to address one point in their presentation. He noted that the presentation stated that there had been not findings "as of this time" and stated that this is not how previous presentations read. He asked about the difference. The representative from Ernst & Young noted that staff was still in the process of finishing the audit and expected to provide an opinion with no findings. She noted that this page would be updated to note that fact.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA, SONYMA, MBBA and TSFC Committees, Mr. Valella asked all Committee members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

Chairman Adams noted that the next item was an HFA Consent Item with no discussion unless Committee members so request:

**ITEM 3: Resolution recommending the approval of the 2020 HFA Audited Supplementary Financial Information (Other Financial Information or “OFI”) Report.**

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the HFA Committee, Mr. Valella asked all Committee members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

Chairman Adams presented the next item a **resolution approving Internal Audit’s AHC Program Audit.**

Ms. Babayeva presented the item. She noted that the audit presented no findings and that there had been no need for a management response. She added that she expected to come back to the Audit Committee for adoption of a new Internal Audit Charter at the next Audit Committee meetings.

Mr. Valella moved for adoption of the resolution transmitted in connection therewith. Considering the first and second motions previously entered for the AHC Committee, Mr. Valella asked all Committee members voting to approve to signify by saying aye. The motions were carried, and the resolution adopted unanimously.

Chairman Adams noted that the final item was an Information Item, which involves the audit committee self-evaluation, with audit committee members being asked to fill out and return their evaluation forms.

Chairman Adams asked Mr. Valella to adjourn the Audit Committee meetings.

Mr. Valella noted that, assuming the first and second previously entered for all the Committees, all in favor of adjourning, please signify by saying Aye. The motion was carried. The meetings were adjourned.

Mr. Valella noted that the next Audit Committee meetings are scheduled for Thursday, April 14, 2022 at 9 am.