

## Minutes of the Meeting of the Audit Committee Held on September 18, 2009

The meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on September 18, 2009 at the offices of the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia.

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**Committee Members Present** Yvonne Allmond, Chair  
John P. McCann  
Manju Ganeriwala

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**Others Present** Susan F. Dewey, Executive Director  
Arthur N. Bowen, III, Managing Director of Finance & Administration  
Russ E. Wyatt, General Auditor  
Melody Barackman, Controller  
Rob Churchman, KPMG  
Kathy Glass, KPMG  
Michelle Edmonds, Sr. Executive Assistant

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**Meeting Called to Order** The meeting was called to order at 1:05 p.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.

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**FY 2009 Audited Financials** Melody Barackman presented highlights of VHDA's audited financial statements for fiscal year (FY) ending June 30, 2009, noting the external auditors, KPMG, issued an unqualified opinion in their audit report.

Kathy Glass and Rob Churchman reported the results of their recently completed audit of VHDA's financial statements for the FY 2009. The reports presented by KPMG included their opinion letter and report on internal controls, noting that they did not identify any deficiencies in internal control over financial reporting that they considered to be material weaknesses. They also presented a letter to the Committee describing their responsibilities for expressing an opinion on the fair presentation of the financial statements.

In accordance with the annual reporting requirements of the Audit Committee Charter, KPMG reported and provided a handout to the Audit Committee describing the following:

- KPMG's responsibility under professional standards;
- 2009 Audit Results;

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**Audit Committee Minutes Notes**  
**September 18, 2009**

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**FY 2009**  
**Audited**  
**Financials**  
(cont'd)

- Significant Risks/Issues and Findings;
- Required Communications to the Audit Committee;
  - Significant accounting policies and unusual transactions;
  - Accounting policies and alternative treatments;
  - Management judgments and accounting estimates;
  - Audit adjustments and uncorrected audit difference; and
  - Other required communications.

Kathy Glass reported that specialist assistance was obtained for 1) Actuarial (pension accounting and disclosure); 2) Investments (securities pricing); and 3) Information Technology (IT general controls and key application controls). The final document will be prepared to meet the state deadline.

The Committee then met with KPMG, without the presence of staff, to discuss any matters in which KPMG believed the Committee should be aware.

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**Adjournment**

There being no further business, Commissioner Allmond moved for adjournment of the meeting at 2:10 p.m.

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Russ E. Wyatt  
General Auditor

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Yvonne Allmond  
Chairman