

**MINUTES OF THE
STATE OF NEW YORK MORTGAGE AGENCY
AUDIT COMMITTEE
HELD ON JUNE 11, 2013 AT 9:15 A.M.
AT ITS OFFICES AT 641 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022**

DIRECTORS AND DESIGNEES

PRESENT:

Darryl C. Towns	Director
Elaine McCann	Director (via video conference)

ABSENT

Anthony Bergamo	Chairman
Don Lebowitz	Director

The meetings were opened by Acting Committee Chairman Darryl C. Towns, of the Audit Committees of the New York State Housing Finance Agency (HFA), the New York State Affordable Housing Corporation (AHC) and the State of New York Mortgage Agency.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary. He noted that Elaine McCann and Aida Brewer were participating in the meetings via video conference from the New York State Division of Budget conference center at the Capitol Building, Room 131, in Albany. A public notice was given of the time and locations of this venue.

Alejandro J. Valella, Vice President and Deputy Counsel of the Agencies, acted as Secretary and asked for motions and seconds to call the Audit Committee meetings to order of the New York State Housing Finance Agency (HFA), the New York State Affordable Housing Corporation (AHC), and the State of New York Mortgage Agency (SONYMA). Ms. McCann made a motion to call the HFA Audit Committee meeting to order; Ms. Brewer seconded the motion. Ms. McCann made a motion to call the AHC Audit Committee meeting to order; Ms. Brewer seconded the motion. Ms. McCann made a motion to call the SONYMA Audit Committee meeting to order; Commissioner Towns seconded the motion.

Mr. Valella stated that Commissioner Towns was the Audit Committee Acting Chairman for the HFA and AHC Audit Committees and will chair the meetings for those committees; and that Anthony Bergamo was Audit Committee Chairman for the SONYMA and in his absence, Commissioner Towns would chair the meeting for SONYMA.

Mr. Valella stated that as items are presented to each Committee throughout the meetings, these motions and seconds would be used, unless specific items call for a different vote, or unless any Committee Member or Director wishes to record his or her vote

differently. He stated that, for purposes of convenience and to ensure that the Committee meetings of the respective Agencies run smoothly, items shared by one or more of the Agencies will be presented by Acting Chairman Towns.

The meetings of the Audit Committees of the affiliated Agencies were opened in joint session for the consideration of various matters of shared importance. The meetings of the Audit Committees of the affiliated Agencies were opened in joint session for the consideration of various matters of shared importance. These minutes reflect only those items being considered by the Directors of the State of New York Mortgage Agency. A record of items considered by the Audit Committees of the other affiliated Agencies is contained in the minutes of each Committee respectively.

The first item on the agenda was the adoption of the minutes of the State of New York ("SONYMA") Audit Committee meeting held on June April 9, 2013. Absent comments or corrections from the Directors, the minutes were deemed approved.

The next item on the agenda was a resolution recommending approval of the Independent Auditor's Report relating to the audit of the Schedule of Expenditures of Federal Awards. Gary Weinstock, Vice President/Comptroller, introduced three representatives of Ernst & Young LLP: Randy Nelson, Executive Director; Louis M. Roberts, Assurance Services Senior Manager; and Amy Wong, Assurance Services Manager.

Mr. Weinstock stated that the audit of the Schedule of Federal Expenditures, also referred to as the Single Audit, was performed by Ernst & Young and relates to federal programs in which HFA and SONYMA participate. He stated that the reports being presented had no findings in 2012 or 2011. He stated that the reports are made as of October 31, 2012, comparing to 2011. He stated that the audit reviews the Agencies' compliance with federal requirements of various federal programs from which funding is received. He stated that one of the most important components of the report is the Schedule of Federal Expenditures and that the Schedule lists expenditures made by the Agencies for each of the programs participated in. He stated that during fiscal 2012, HFA expended approximately \$30 million of federal funds and that SONYMA expended approximately \$800,000 under various federal programs. He stated that the audits had no findings and were being presented for approval.

Mr. Louis M. Roberts reaffirmed that the audits did not identify any findings or material weaknesses. He stated that Ernst & Young will be issuing an unqualified opinion over compliance and internal controls over reporting of the Schedule of Expenditures of Federal Awards.

Ms. McCann moved to adopt the resolution; Acting Committee Chairman Towns seconded the motion, and the following resolution was adopted unanimously:

**A RESOLUTION OF THE NEW YORK STATE HOUSING FINANCE
AGENCY AND STATE OF NEW YORK MORTGAGE AGENCY AUDIT
COMMITTEES REVIEWING AND APPROVING AUDITED SCHEDULE OF
EXPENDITURES AND FEDERAL AWARDS - SINGLE AUDIT REPORT
FOR FISCAL YEAR ENDED OCTOBER 31, 2012.**

There being no unfinished business, Ms. McCann moved to adjourn, Acting Committee Chairman Towns seconded the motion, and the meeting was adjourned at 9:25 a.m.



Alejandro J. Valella, Acting Secretary