

The Dormitory Authority of the State of New York Audit Committee Video Conference Meeting was held at DASNY's Albany Office located at 515 Broadway, Albany, New York and New York City Office, One Penn Plaza, 52nd Floor, New York, New York on Tuesday, June 18, 2018 at 4:30 p.m.

The Meeting was called to order by the Audit Committee Chair. Roll call was taken. Those Audit Committee Members present and absent were as follows:

Audit Committee Members Present – Albany

Jonathan H. Gardner, Esq., Audit Committee Chair

Audit Committee Members Present – New York City

Beryl L. Snyder, Esq., Audit Committee Member

Paul S. Ellis, Esq., Audit Committee Member

Other Board Members Present—Albany

Alfonso L. Carney, Jr., Board Chair

Gerard Ronski, Esq., Member

Joan M. Sullivan, Member

Tracy Raleigh, Designated Representative of the Commissioner of Health, Member (ex officio)

Also Present - Dormitory Authority Staff – New York City

Gerrard P. Bushell, President

Also Present - Dormitory Authority Staff - Albany

Michael T. Corrigan, Vice President

Michael E. Cusack, Esq., General Counsel

Kimberly J. Nadeau, Chief Financial Officer

Portia Lee, Managing Director of Public Finance and Portfolio Monitoring

Caroline V. Griffin, Chief of Staff

Kimberly A. Ellis, Deputy Chief Financial Officer

Daniel W. Petroff, Chief of Strategy and Business Development

Sophie Lai, Director, Financial Management

Kathy Ebert, Director, Internal Audit

Sara P. Richards, Esq., Associate General Counsel

Karen M. Seiter, Assistant Director, Accounting

Steven Winters-Bona, Assistant Director, Financial Management

Michael L. Johnson, Esq., Assistant General Counsel

Karen E. Ehlinger, Manager, Internal Control Analysis

Li XU, Manager, Accounting
David F. Perritano, Public Information Officer

Others Present - Albany

Marie Zimmerman, KPMG
Jeff Koch, KPMG
David Kovalesky, KPMG
David Barnes, KPMG

Others Present – New York City Office

Bennie Hadnott, BCA Watson Rice LLP
Leila Aquí, BCA Watson Rice LLP

PUBLIC SESSION

Audit Committee Chair Gardner called the Audit Committee Meeting to order. The Minutes of the April 9, 2019 Audit Committee Video Conference Meeting were reviewed and approved. He stated that representatives from KPMG and BCA Watson Rice were in attendance for the presentation of the Audited Financial Statements.

Audit Committee Chair Gardner asked Ms. Nadeau to DASNY's Basic Financial Statements for the Year Ended March 31, 2019.

Dormitory Authority Basic Financial Statements as of and for the Year Ended March 31, 2019

Ms. Nadeau reviewed some of the more significant items included in this year's financial statements and provided the Members with highlights of DASNY's financial results for the year.

Ms. Nadeau informed the Committee Members that KPMG will issue an unmodified opinion on DASNY's basic financial statements and another unmodified opinion on the supplementary information included with the basic financial statements. She stated that KPMG will issue a modified opinion on DASNY's compliance with the investment guidelines promulgated by the Office of the State Comptroller and DASNY's internal investment policies and guidelines. She noted that this is a slight change from the memorandum provided to the Board Members.

Ms. Nadeau explained that a modified opinion is being issued relative to the requirement that a maximum of 50% may be invested with a single institution in accordance with DASNY's investment policy and guidelines. She stated that more than 50% was invested with a single trustee for most of the fiscal year. Ms. Nadeau explained that DASNY does not select the trustees in all cases. She stated that DASNY's private clients select their own Trustees on a resolution by

resolution basis, and that with respect to public issuances, the Trustee is determined by low bid. Ms. Nadeau further stated that this year, a disproportionate share of proceeds was deposited with one of the trustees for public transactions. She explained that this was primarily the result of the State's decision to issue more Sales Tax than PIT bonds. Ms. Nadeau further explained that the proceeds of the Sales Tax and PIT programs are deposited with two different trustees, and a larger than usual issuance under the Sales Tax program resulted in a larger amount being invested with a particular trustee. She informed the Members that as of March 31, 2019, the proportion invested with a single trustee was reduced to 49% and was therefore in compliance with the policy. Ms. Nadeau emphasized that there was no additional risk to the investments as a result of these investments, since all investments are in book entry form and are either registered in DASNY's name directly or in the Trustee's name for benefit of DASNY. She informed the Committee Members that the Auditors did not identify any material weaknesses or deficiencies in DASNY's Internal Controls, and therefore would not be issuing a Management Letter.

In response to an inquiry from the Board Chair, Ms. Nadeau stated that throughout the year, the amount invested with a single Trustee ranged from 60-63%. She introduced Ms. Zimmerman, Lead Audit Partner from KPMG to review the Audit results.

Ms. Zimmerman introduced Jeff Koch, Dave Kovalesky and David Barnes from KPMG. She noted that Bennie Hadnott and Leila Aqui from BCA Watson Rice, KPMG's Audit Partner, were in attendance in the New York City Office.

Mr. Hadnott stated that the firms are in the tenth year of their strategic partnership arrangement. He further stated that the partnership has been an overall success and that he is very pleased to be working with DASNY and KPMG. He explained that BCA Watson Rice and KPMG collaborate side-by-side during all phases of the audit. Mr. Hadnott informed the Committee Members that five BCA Watson Rice team members participated in all levels of the audit and that the team contributed approximately 30 percent of the total engagement work. He thanked DASNY for the opportunity to work on the Annual Audit with KPMG and stated that they have a good working relationship. Ms. Zimmerman thanked DASNY management and staff for their cooperation and efforts in getting the opinion out in a timely manner.

Ms. Zimmerman stated that in addition to including David Barnes as IT partner, KPMG added a GASB 75 technical specialist for the first year of implementation for the OPEB standards. She noted that there were two additional levels of review for this component of the audit. Ms. Zimmerman informed the Committee Members that there were no significant findings or material weaknesses relating to the OPEB liability. She stated that as part of the extensive audit team, KPMG utilized its OPEB actuarial specialist, who was in agreement with the findings.

Mr. Koch reviewed the audit scope and deliverables. He stated that the purpose of the audit is to enable the auditors to express an opinion about whether the financial statements prepared by management are, as a whole, presented fairly in all material respects and are free from material misstatement whether caused by error or fraud and in conformity with generally accepted accounting principles (GAAP). He indicated that while this is not an absolute assurance, reasonable assurance is a high level of assurance. Mr. Koch noted that the audit included

performing various test of accounting records and evaluating the appropriateness of the accounting policies used.

Mr. Koch summarized the scope and deliverables for the annual audit. He stated that the deliverables for the engagement include an Independent Auditors' Report on the Basic Financial Statements; a Report on Supplementary Information; a Report on Internal Controls Over Financial Reporting and Compliance and Other Matters Performed in Accordance with Government Auditing Standards (the "Yellow Book" report); a Report on Compliance with the State Investment Guidelines; and a Report on Required Communications to the Audit Committee as required by AU-C 260.

Mr. Koch stated that KPMG plans on issuing an unmodified opinion. He stated that the auditor's unmodified opinion includes an "emphasis of matter" paragraph with respect to the implementation of GASB 75, Accounting and Reporting for Postemployment Benefits Other Than Pensions ("OPEB"). Mr. Koch informed the Committee Members that the audit approach has not changed since presented to the Board in November 2018. He indicated that there were no transactions identified that were deemed both significant and unusual, or lack authoritative guidance. Mr. Koch stated that the auditors evaluated management's judgments and assumptions relative to accounting estimates for total OPEB liability; net pension liability; and valuation of leases and loans receivable. He further stated that there were no proposed uncorrected audit differences; no material weaknesses or significant deficiencies in internal control over financial reporting; and there were no major issues discussed with management, the results of which were a condition of the engagement.

Mr. Koch informed the Committee Members that the auditors would be issuing an unmodified "in relation to" opinion with respect to the Reports on Supplementary Information in connection with the Financial Statements. He stated that the auditors will also provide a report on compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York. Mr. Koch explained that a modified opinion will be issued with respect to investment activities to reflect that DASNY exceeded the threshold set forth in DASNY's Investment Policy and Guidelines. Mr. Koch confirmed that today and throughout the course of the audit, the auditors were independent of DASNY.

Mr. Barnes stated that he assisted with the evaluation of DASNY's IT systems. He reported that the auditors focused on the general controls over JDE and SunGuard systems as the two major systems within the scope of the audit as they relate to financial reporting, as well as certain information technology application controls. Mr. Barnes explained that the primary focus of the audit involved testing various points of system access, including who can enter the systems and make changes; who has administrative level access; spent time understanding how people are granted access to the system and the approval process for changes made to data or programming language within the system to verify that changes are approved and are migrated properly into production; and that backup and recovery processes are acceptable. He stated that the auditors also examined job processing; backup and recovery processes. Mr. Barnes further stated that the auditors worked with management with respect to their review to understand implications to the audit of the Financial Statements and reported no significant findings.

Mr. Gardner inquired whether the auditors examined the underlying integrity of the IT systems themselves, such as SunGard or JDE. He further inquired whether DASNY would be able to ascertain whether the systems contained malicious code or otherwise presented risks. Mr. Barnes responded that organizations such as DASNY must rely on the integrity of the underlying systems, and generally systems such as those utilized by DASNY are low risk in that regard. He explained that patches and other upgrades to such systems are typically well-tested before distribution. Mr. Barnes explained that subsequent to the release of a patch or upgrade, DASNY processes would verify that controls reliant on those programs are still operational, that data migrated correctly, reports can still be generated, and other functions work as expected. He noted that generally organizations assess the changes made at the time of upgrades or changes and perform regression testing and other measures to verify that the programs still operate properly.

Mr. Gardner inquired whether there is a big user base for the same applications that DASNY utilizes. Mr. Barnes responded in the affirmative and noted that many commercial and regional banks utilize the same systems. In response to a question from Ms. Snyder, Ms. Nadeau stated that some of the systems utilized by DASNY are customized by the software developer in order to meet DASNY needs. She further stated that when patches or software upgrades are released, the vendors coordinate with Kim Ellis, Deputy Chief Financial Officer and the IT department staff to verify the changes work as required. Ms. Nadeau further stated that in addition to the annual audit reconciliation, a monthly reconciliation is undertaken against Trustee data for verification purposes. Mr. Gardner asked whether the monthly reconciliations utilize data external to the system being examined and Ms. Nadeau confirmed that the reconciliation to the SunGard system is undertaken with independent data. Mr. Barnes explained that the auditors examine whether DASNY has change management and testing processes in place to verify that DASNY is performing appropriate testing procedures over the data, as opposed to testing the underlying system itself. Ms. Zimmerman noted that such controls and processes were operating effectively. Ms. Zimmerman further noted that the auditors work closely with DASNY's Internal Audit department over the course of the year to perform procedures for the annual Financial Statement Audit and then re-test 20% of these procedures.

Mr. Koch informed the Committee Members that in the Auditors also retained a tax specialist to evaluate DASNY's tax-exempt status as a governmental entity. He stated that KPMG also utilizes a firm actuary to evaluate the methodology and assumptions used by DASNY's actuary to estimate OPEB liabilities and verify that these assumptions are consistent with industry standards. Mr. Koch further stated that valuation specialists are retained to assist with verifying the valuation of 100% of marketable securities and compare to other metrics to determine whether there is any management bias related to this aspect. He informed the Committee Members that no such bias was identified. Mr. Koch stated that an engagement quality review partner is retained to participate in planning discussions, review significant audit areas, and review the financial statements to verify that all required information is included.

Mr. Koch stated that the Auditors will obtain management representation letters prior to issuance of their report, and later this summer will issue Independent Auditor's Reports on 30 individual restricted debt issue financial reports. He further stated that the Auditors will review DASNY's annual report when it is released to verify that there are no material inconsistencies with the information presented in the financial statements.

Ms. Zimmerman summarized two new GASB pronouncements. She stated that GASB 87 relates to leases and requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. She stated that GASB 87 is effective for the fiscal year ended March 31, 2021, but that amortization will commence on April 1, 2020. Ms. Zimmerman explained that the statement, in effect, adopts a single model approach and brings operating leases onto the books. She stated that GASB 91 relates to conduit debt obligations and is effective for the fiscal year ending March 31, 2022, although early adoption is allowed. Ms. Zimmerman reminded the Members that the impact of this pronouncement is that non-State debt will not be carried on DASNY's books but will be disclosed in a footnote. She noted that the same level of effort for management exists with respect to tracing this debt, but it will not be reflected on the balance sheet. Ms. Zimmerman further noted that conduit debt represents approximately 30% of the overall debt issued by DASNY. In response to a question from Mr. Gardner, Ms. Zimmerman confirmed that DASNY's balance sheet will continue to reflect PIT and Sales Tax issuances, secured hospitals, and other State debt. In response to a question from the Board Chair, Ms. Nadeau estimated that approximately 70% of the debt currently reflected on DASNY's financial statements will continue to be reflected.

Ms. Zimmerman informed the Members that GASB 89 relates to accounting for interest costs incurred during the construction period. She explained that entities currently have the option of recognizing capitalized interest during the construction period. Ms. Zimmerman stated that DASNY is no longer required to recognize the capitalized interest during the construction period, only the expenses incurred as they relate to the debt. Ms. Zimmerman directed the Members' attention to the appendices in the report for additional information regarding the topics discussed today. She verified that the Auditors would be providing a letter to Management stating the Auditor's required responsibilities.

Mr. Gardner asked whether the Auditors, in effect, audit DASNY's Internal Audit Department. Ms. Zimmerman responded in the affirmative, and stated that they rely on this work. The Board Chair asked what percentage of the work is re-performed by the Auditors, and Ms. Zimmerman responded that the Auditors re-perform 20% of this work.

Mr. Ellis asked whether there were any increased risks or adverse impacts as a result of exceeding the requirement that no more than 50% of DASNY's investments are with one Trustee. He also asked for additional background on the reason for this requirement. Ms. Zimmerman responded that the role of the Auditors is to review DASNY's compliance with the policy and state whether DASNY is in compliance with the Policy or not. She stated that the Financial Statements were not impacted. Ms. Nadeau stated that after internal discussions, Management does not believe there was a risk to DASNY in exceeding the 50% threshold, since the investments are in book entry form. She further stated that there will be additional discussions as to whether this Policy adds value and should be continued. The Board Chair asked why the Policy is drafted in this manner. Mr. Corrigan responded that at the time the Policy was enacted, there were many more Trustee banks performing the services that DASNY requires. Ms. Nadeau stated that there are two primary Trustees in the market at this time.

Ms. Nadeau highlighted certain aspects of DASNY's business as reflected in the financial statements and outlined in the Executive Summary on page 5. She reported that DASNY issued a record-breaking \$8.7 billion in debt issuances during the fiscal year. Ms. Nadeau highlighted certain projects undertaken by the Construction Division. She reported that DASNY completed the 256-bed dormitory at SUNY Brockport utilizing the design-build delivery method. Ms. Nadeau stated that DASNY worked with OMH in connection with a new 262-bed residence hall at the South Beach Psychiatric Center. She further stated that DASNY is permitting work in connection with the Moynihan Station and Javits Center projects.

Ms. Nadeau reported that two new GASB pronouncements were implemented this year. She stated that GASB 86 relates to the treatment and disclosure of bond defeasances. Ms. Nadeau informed the Committee Members that because DASNY defeasances met the criteria to be considered legally defeased, the new statement had no impact on DASNY's Financial Statements.

Ms. Nadeau informed the Committee Members that DASNY implemented a new accounting pronouncement during 2019. She stated that GASB 75 relates to post-retirement benefits other than pensions (OPEB), and that the new standard is consistent with DASNY's pension accounting as well as with the standards used by private industry. Ms. Nadeau explained that under GASB 75, the full liability that DASNY expects to pay for those benefits is recognized. She informed the Committee Members that under the prior accounting rules, the recording of OPEB expenses consisted primarily of two components. Ms. Nadeau explained that the portion of the total projected cost that related to the current fiscal year was recorded in the current fiscal year, and the balance was reflected evenly over a 30-year period. She noted that historically, the amount contributed on an annual basis was less than the expense, resulting in a liability being recorded for the difference. Ms. Nadeau indicated that at the end of fiscal year 2018, the recorded liability was reflected as approximately \$138 million. Ms. Nadeau stated that under the new accounting rules, the actuarial evaluation projected a total cost of approximately \$183 million at the beginning of fiscal year 2019. She explained that this resulted in an increased liability of \$46 million at the beginning of the fiscal year and a corresponding reduction to DASNY's beginning Net Financial Position.

Ms. Nadeau reported that DASNY's financial statements reflect an increase in Net Financial Position of \$89.2 million. She stated that of this amount, \$88.1 million relates to activity in the Restricted Funds and the remaining \$1.1 million is attributable to DASNY operations. Ms. Nadeau further stated approximately \$1 million of the increase in Net Financial Position was primarily the result of a lower allocation of OPEB expense to private clients, which was in turn the result of a larger share of work being in support of DASNY's public clients. She noted that DASNY's underlying operations were essentially breakeven. Ms. Nadeau explained that current year OPEB expense and liability is allocated between public and private clients using a 5-year rolling average for DASNY's direct labor costs. She stated that as of March 31, 2019, the rolling 5-year average was just under 89.5%, which was almost 1% greater than the prior year average.

Ms. Nadeau informed the Committee Members that DASNY issued approximately \$8.7 billion during fiscal year 2019, and over 85% of that amount was a combination of new money and refinancings. She stated that over half of the issuances on behalf of DASNY's public clients, although the public sector share declined to 71% as compared to 83% last year. Ms. Nadeau

explained that this reflects a higher level of new money financings in the private sector and a reduction in refunding activities for public clients.

Ms. Nadeau then reported on the retirement of debt issuances. She stated that DASNY retired \$4.2 billion in bonds this year, and that more than half of this amount was the result of scheduled redemptions. Ms. Nadeau noted that one-third of these bonds were refunded by new DASNY bonds. She informed the Committee Members that with regard to customer type, the percentage of public clients increased again this year from 66% last year to 71%. Ms. Nadeau stated that this increase was driven by a decrease in private client refunding activity. Ms. Nadeau reminded the Members that at the end of last year, the Federal Government was contemplating changes relating to the issuance of tax-exempt debt, which resulted in a high level of refunding activity.

Ms. Nadeau stated that DASNY ended the year with over \$55 billion in outstanding bonds, an increase of \$4.5 billion over 2018. She further stated that the increases were primarily the result of net new money (new issuances during year net of scheduled redemptions) and net refinancings. Ms. Nadeau noted that the allocation between public and private clients remained consistent. She stated that public clients account for 70% of the total outstanding debt and private clients account for 30% of outstanding debt.

Ms. Nadeau stated that with respect to DASNY's construction business, construction and loan disbursements increased approximately \$1.2 billion in 2019, primarily as the result of certified disbursements to clients. She explained that the reimbursements accounted for over 80% of the overall increase, with an additional \$2.4 billion in disbursements for the year. Ms. Nadeau noted that DASNY-Managed projects decreased by approximately \$350 million. In terms of client distribution, Ms. Nadeau stated that the overall portion attributable to DASNY's public clients remained at 86%.

Ms. Nadeau reported that DASNY's Statement of Net Position increased \$43 million in 2019 and reflects increases of approximately \$3.8 billion each in assets and liabilities. She noted that this was driven by net increases in bonds outstanding and related leases and loans receivable. Ms. Nadeau stated that DASNY's total investment balance of \$4.9 billion reflects an increase of \$140 million from last year, primarily due to new bond issuances, higher interest income and market value adjustments, partially offset by the prepayment of debt service obligations by the state and construction expenditures.

Ms. Nadeau then directed the Committee Members to Tab 4 of their materials and summarized that the supplementary information provided includes schedules that break out the financial statements between public and private clients and DASNY's operations; DASNY's budget and actual expenses for its operations; and schedule of outstanding bonds and notes. She stated that DASNY is required to submit the auditor's report and basic financial statements to the Office of the State Comptroller by June 30. Ms. Nadeau informed the Committee Members that at tomorrow's board meeting, the full Board will be asked to adopt a Resolution approving the basic financial statements as of and for the year ended March 31, 2019.

Annual Investment Report for the Year Ended March 31, 2019

Ms. Nadeau then directed the Committee Members to the Annual Investment Report. She stated that DASNY is required to file the Annual Investment Report with the Office of the State Comptroller, and that the report includes DASNY's Investment Policy and Guidelines and summaries of investment income earned and fees paid during the year. Ms. Nadeau further stated that a copy of DASNY's financial statements will be filed with the Report. Ms. Nadeau noted that there were no changes to the Investment Guidelines during the fiscal year. She reported that investment income totaled \$122 million for the year, \$21 million that came from constructions funds and the \$101 million from all other funds. Ms. Nadeau noted that during 2019 DASNY paid approximately \$766,000 for trustee services.

Ms. Nadeau thanked the people that worked on the annual audit and made it possible for these unmodified opinions to be issued. She stated that while the financial statements may appear very straightforward, the underlying financial records are extremely voluminous and complicated. Ms. Nadeau further stated that both she and DASNY rely heavily on the experience, knowledge and dedication of the finance staff to maintain the books and records accurately over the course of the year, provide necessary support to the independent auditors so that unmodified opinions are able to be issued and the financial statements are filed with the State in a timely manner. In particular, Ms. Nadeau thanked Karen M. Seiter, Assistant Director, Accounting and Financial Reporting; Kimberly A. Ellis, former Assistant Director for Investments; Steven Winters-Bona, Assistant Director, Financial Management; Karma Sees, Assistant Director, Financial Management; Heidi Lenge, Assistant Director, Accounts Payable and Assistant Director, Budget, Geoff Arnold. She noted that Mr. Arnold has been a significant contributor in the implementation of OPEB and pension reporting. Additionally, Ms. Nadeau thanked Li Xu, Manager, Accounting and Financial Reporting; Sophie Lai, Director, Financial Management, and Nicola Zarelli, former Deputy Chief Financial Officer, noting that their direction and support were essential. Ms. Nadeau also thanked KPMG for their support in making the audit go smoothly.

The Audit Committee Members decided unanimously to recommend approval of the Annual Audited Financial Statements for the fiscal year ending March 31, 2019 to the full Board.

The Audit Committee Members decided unanimously to recommend approval of the Annual Investment Report for the fiscal year ending March 31, 2019 to the full Board.

Ms. Snyder moved that the Committee go into Executive Session to discuss the credit and financial history of particular corporations. Mr. Ellis seconded the motion, and the Members went into Executive Session.

EXECUTIVE SESSION

No action was taken in Executive Session other than to return to Public Session.

PUBLIC SESSION**Public Authorities Accountability Act Annual Report**

The President presented a summary of DASNY's Annual Authorities Budget Office Report for Fiscal Year 2018-19 to the Committee Members.

The President reported that during Fiscal Year 2018-19, the Public Finance division completed 12 bond financings for a total of approximately \$8.7 billion. He stated that this is an increase of \$200 million over last year, although the number of issues declined due to the high level of activity during December 2017 which was precipitated by the tax law changes. The President further stated that the largest higher education, health care and State financings included \$862.8 million for New York University; \$685.2 million for the Montefiore Health System, and the \$1.78 billion State Personal Income Tax transaction.

The President stated that construction expenditures on DASNY-managed projects were \$705 million. He noted that the fiscal year ended with a pipeline of 1,025 projects valued at more than \$6.5 billion. The President informed the Committee Members that DASNY successfully delivered Eagle Hall, the \$22.8 million Brockport design-build residence hall and completed building renovations of Bishop Hall at Buffalo State, and McComb and Mason Halls at SUNY Plattsburgh, as well as, delivering all date critical summer projects on time for occupancy at SUNY.

The President stated that DASNY's challenges remain unchanged in 2018-19. He explained that the public finance sector continues to face competition from other issuers of tax-exempt debt, and that market conditions minimize the fiscal impact of tax-exempt financing due to the spread between taxable and tax-exempt debt. The President stated that DASNY-managed construction expenditures were down 6%, to \$705.2 million in fiscal year 2018-19, as compared to \$857 million during fiscal year 2017-18. He indicated that the profile of DASNY's work continues to shift to a higher number of smaller-sized projects, reflecting changes in client capital plans. The President informed the Committee Members that DASNY must adapt to smaller projects and implement cost efficiencies when managing those projects, and is moving in that direction.

The President stated that in order to address these public finance and construction challenges, DASNY has revised the Financing Guidelines; upgraded and continues to upgrade its information systems; deployed data management dashboards; instituted succession-planning and knowledge-development programs; implemented electronic payments; and is streamlining procurement and project delivery to create a competitive cost structure in order to address DASNY's higher volume of smaller sized construction projects. He noted that this includes promoting successful alternative delivery method capabilities such as construction manager-build and design-build.

The President stated that in addition to the accomplishments previously noted, Management has completed several initiatives during fiscal year 2018-19, including the expansion of DASNY's energy performance contract offerings and the reintroduction of the TELP program.

The President informed the Committee Members that DASNY has experienced broad support for the One DASNY initiative both internally and externally. He stated that DASNY will

continue to pursue and foster innovation and inclusion in DASNY's financing and construction project portfolios. The President noted that there is still more work to be done, but that Fiscal Year 2018-2019 was a successful one. He thanked the Committee Members for their support.

The Audit Committee Members decided unanimously to recommend approval of the Public Authorities Accountability Act Annual Report to the full Board.

Ms. Snyder moved that the Committee go into Executive Session to discuss to discuss the financial and credit history of particular corporations and matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of particular persons or corporations. Mr. Ellis seconded the motion and the Members went into Executive Session.

EXECUTIVE SESSION

No action was taken in Executive Session other than to return to Public Session.

PUBLIC SESSION

Ms. Snyder moved that the Meeting adjourn, Mr. Ellis seconded and the Audit Committee Meeting was adjourned at approximately 6:10 p.m.

Respectfully submitted,

Michael E. Cusack, Esq.
Assistant Secretary