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 19, 2018 at 5:00 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
John B. Johnson, Jr., Audit Committee Member

Audit Committee Members Present – New York City

Beryl L. Snyder, Esq., Audit Committee Member

Audit Committee Members Absent

Paul S. Ellis, Esq., Audit Committee Member

Other Board Members Present—Albany

Alfonso L. Carney, Jr., Board Chair
Gerard Romski, Esq., Member

Also Present - Dormitory Authority Staff - Albany

Gerrard P. Bushell, President
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
Debra Pulenskey Drescher, Esq., Managing General Counsel
Daniel W. Petroff, Chief of Strategy and Business Development
Nicholas A. Palas, Assistant Director, Internal Audit
Karen M. Seiter, Assistant Director, Accounting
Kimberly A. Ellis, Assistant Director, Investments
Karen E. Ehlinger, Manager, Internal Control Analysis

Others Present - Albany

Marie Zimmerman, KPMG
Jeff Koch, KPMG

David Kovalesky, KPMG

Others Present – New York City Office

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

PUBLIC SESSION

Audit Committee Chair Gardner called the Audit Committee Meeting to order. The Minutes of the April 10, 2018 Audit Committee Video Conference Meeting were reviewed and approved.

Audit Committee Chair Gardner asked Ms. Nadeau to DASNY's Basic Financial Statements for the Year Ended March 31, 2018. Ms. Nadeau provided an overview of the items to be considered by the Committee Members at the Meeting. She explained that the Committee would hear presentations regarding the Annual Financial Statement Audit, the Annual Investment Report, including Investment Guidelines, and the Annual Public Authorities Accountability Act Report.

Dormitory Authority Basic Financial Statements as of and for the Year Ended March 31, 2018

Ms. Nadeau directed the Committee Members' attention to DASNY's audited Financial Statements and presented a summary of the contents in each of the sections contained therein. She stated that KPMG is expected to deliver an unmodified opinion on DASNY's Financial Statements and Supplementary Information for the year ended March 31, 2018. Ms. Nadeau further stated that KPMG also expects to issue unmodified opinions on DASNY's compliance with the State Comptroller's investment guidelines and DASNY's internal investment policies and guidelines. She reported that KPMG did not identify any material weaknesses or significant deficiencies in internal control over financial reporting, and that KPMG will not be issuing a management letter.

Ms. Nadeau informed the Committee Members that the annual memorandum she prepared is included in the materials. She stated that the memorandum summarizes the items that are included as a part of the annual audit of DASNY's financial statements. She asked Ms. Zimmerman to review KPMG required communications with the Committee.

Ms. Zimmerman stated that the presentation of the audit results would include an introduction of the audit team, a discussion of the scope of audit deliverables, responsibilities of the parties, a summary of audit results, consideration of fraud, the involvement of specialists and any necessary actions required as a result of the audit. She noted that the only remaining item is the approval of the Audit Committee. Ms. Zimmerman further noted that a discussion of upcoming audit pronouncements and certain areas of focus are included in the appendices for the Committee Members' review.

Ms. Zimmerman introduced the audit team consisting of herself as Lead Engagement Partner, Jeff Koch, Lead Engagement Senior Manager, David Kovalefsky, Supervising Senior

Associate and their Partners at BCA Watson Rice LLP, Bennie Hadnott and Leila Aqui. Ms. Zimmerman noted that this team is consistent with what was presented to the Committee in October with all members returning. She then asked Mr. Hadnott to speak in more detail about the partnership between KPMG and BCA Watson Rice LLP.

Mr. Hadnott stated that the firms are in the ninth year of their strategic partnership arrangement and that it has been an overall success. 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 stated that his team participated in the risk assessment, planning, discussion and preparation of the confirmations, and testing. Mr. Hadnott further stated that they reviewed cash and investments in connection with GASB rules 34, 40 and 72, and reviewed various leases and loans receivable, debt, bonds and notes outstanding and various other review 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 summarized the scope and deliverables for the annual audit. She stated that there was no change in the scope of the audit services since the October presentation and that KPMG would be issuing an unmodified opinion. Ms. Zimmerman explained 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 Control Over Financial Reporting and Compliance and Other Matters Performed in Accordance with Government Auditing Standards; a Report on Compliance with the State Investment Guidelines; and a Report on Required Communications to the Audit Committee.

Ms. Zimmerman informed the Committee Members that the responsibilities of Management, the Audit Committee, and KPMG in connection with the annual audit are set forth on page nine of the audit presentation. She summarized that among other things, Management is responsible for making records available to the auditors and she thanked Management for their cooperation. Ms. Zimmerman stated that Management was available to provide information in connection with the audit. She emphasized that the preparation of the financial statements is the responsibility of DASNY and that the audit of the financial statements does not relieve Management or the Audit Committee of their responsibilities.

Ms. Zimmerman reviewed the auditor's responsibilities as set forth on page nine of the presentation. She explained that the audit was undertaken in accordance with professional standards, including AIPCA and Government Auditing Standards, with an attitude of professional skepticism. Ms. Zimmerman stated that the audit was planned and performed to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error. She stated that the auditors did not identify any such errors caused by fraud or misappropriation of funds. Ms. Zimmerman stated that the auditors also reviewed other information not covered by the audit report to verify consistency with the basic financial statements.

Mr. Koch reviewed the Summary of Results on page eleven of the presentation. He advised the Committee Members that there were no significant deviations from the Audit Plan that was presented to the Committee at the October 2017 Audit Committee Meeting. Mr. Koch stated that KPMG will be issuing an unmodified opinion on the basic financial statements. He further stated that DASNY's accounting policies are generally consistent with those applied in prior periods, and that the auditors discussed the quality of these policies with Management and found them appropriate and in accordance with applicable standards. Mr. Koch indicated that there were no transactions deemed both significant and unusual or which lacked authoritative guidance or consensus in conducting the audit this year.

Mr. Koch stated that the auditors evaluated Management's judgments and assumptions relative to significant accounting estimates, including Other Post-Employment Benefit ("OPEB") liability; net pension liability; interest rate swap valuation; and valuation of leases and loans receivables. He further stated that based upon this review, there was no evident Management bias, and all determinations made are considered to be neutral. Mr. Koch noted that there was agreement with Management regarding their conclusions with respect to the valuations and determinations. Mr. Koch informed the Committee Members that there were four corrected audit adjustments identified, but the circumstances related to these matters were evaluated and did not rise to the level of a material weakness or significant deficiency in internal controls. He confirmed that the audit did not identify any proposed corrected or uncorrected audit adjustments and that there were no material weaknesses or significant deficiencies identified in internal control over financial reporting.

Mr. Koch reported that the auditors are unaware of any consultation by Management with other accountants regarding current year transactions. Mr. Koch further reported that there were no disagreements with Management and no significant difficulties encountered while completing the audit. Mr. Koch informed the Committee Members that there were no unresolved reporting or accounting issues, and that the auditors generally have two significant written communications with Management: the engagement letter and the management representation letter. He stated that, as set forth on page 11 of the presentation, the other reports to be issued by the auditors are: the Report on Supplementary Information; Report on Investment Compliance, and the "Yellow Book" Report, which is the report over internal controls. Mr. Koch informed the Committee Members that unmodified reports are expected to be issued, and that no material weaknesses or significant deficiencies were identified. He stated that as a result, no management letter would be issued. Mr. Koch confirmed that today and throughout the course of the audit, KPMG and BCA Watson Rice are independent of DASNY.

Ms. Aqui stated that the audit team undertook a fraud risk assessment to identify potential fraud risk, particularly with respect to Management override of controls over financial statement reporting. She explained that this assessment included interviews with key members of Management, Internal Affairs, Internal Audit, and others to discuss the risk of fraud and their knowledge about the risk of fraud. She explained that the audit team reviewed manual journal entries in connection with substantive audit test work as well as all post-closing adjustments to ascertain the possibility of override of Management controls. Ms. Aqui reported that the audit team confirmed 100% of cash, investments, and bonds and notes outstanding; reviewed significant accounting estimates for indication of Management bias and updated the Team's understanding of

DASNY's ethics and accountability program. Ms. Aqui reported that the team found no instances of fraud during the audit.

Mr. Koch explained that consistent with past years, specialists were involved in five different areas: Information Risk Management – involving the testing of general controls over JDE and SunGard and certain information technology application controls DASNY uses in preparation of financial statements; a Tax Specialist – that reviewed DASNY's tax-exempt status as a governmental entity; Actuaries – a secondary firm who was involved in evaluating the methods and assumptions used to estimate DASNY's OPEB obligation and annual costs, which were determined to be appropriate and reasonable given the circumstances; Valuation Specialists, which included assistance from the investment pricing desk to assist with verifying the valuation of 100% of marketable securities; and Engagement Quality Control Review Specialists, who participated in planning discussions, reviewed significant accounting areas and reviewed the financial statements to be sure that all of the relevant items were properly disclosed in the Financial Statements. He noted that with regard to the remaining audit items set forth on page 15, the auditors have received the required written representations of management. Mr. Koch stated that the auditors will issue independent auditors' reports on 32 individual restricted debt issue financial reports, and will also review DASNY's Annual Report to confirm it is consistent with the Audited Financial Statements.

In response to an inquiry from the Board Chair regarding the role of the actuarial specialists, Ms. Zimmerman explained that KPMG's actuaries review the work of DASNY's actuaries by evaluating the methodology and assumptions used by DASNY's actuaries. She further explained that the actuarial specialists perform their own calculations and come up with a range of values such as mortality rates, discount rates, and other factors. If the two actuarial firms are in the same range, the specialists are satisfied. She noted that should they encounter a significant difference between DASNY's actuaries and their own, they would go back and ask for clarification. She stated that KPMG is using a new actuary this year. In response to a question from Mr. Johnson, Ms. Zimmerman explained that the actuaries do not review pension liabilities, since DASNY is in the State Retirement System, but rather the other post-retirement benefits. Mr. Johnson asked whether the auditors examine whether the level of collateral on investment agreements is at an appropriate level. Mr. Koch replied in the affirmative, and noted that this is examined at various points throughout the year.

Ms. Zimmerman then summarized GASB 75, which will replace GASB 45 next year and relates to the reporting of Post-Employment Benefits Other Than Pensions. She explained that DASNY currently recognizes this liability using the "pay as you go" methodology. Ms. Zimmerman stated that under that method, DASNY's current liability is currently reported as $138 million. She explained that next year, DASNY will transition to the accrual methodology and will be recognizing any deferred outflows and inflows as they relate to OPEB. Ms. Zimmerman reported that as set forth in the footnote, the actuarially accrued liability is currently estimated at approximately $252 million, but noted that number is subject to change. She stated that management will be undertaking the analysis related to this this transition over the course of the year. Ms. Zimmerman informed the Committee Members that under OPEB, DASNY is considered a single employer, and NYSHIP is the administrator for the purpose of offering more benefits to DASNY employees. She stated that GASB continues to review the analysis, and that KPMG will have more actuaries involved in the coming year. In response to an inquiry from the Board Chair, Ms. Zimmerman agreed that the implementation of GASB 75 will likely require more work on the part of management than that required by GASB 45.

Ms. Zimmerman then referred the Committee Members to the reporting of the Post-Employment Benefits Other Than Pensions. She stated that next year, GASB 75 will be applicable and noted that this replaces GASB 45, which DASNY is currently reporting under. She further noted that GASB 75 will improve the information provided by the state and local governmental employers about the financial support for their OPEB. She noted that the standard recognizes and measures liability, deferred outflows and inflows of resources, and expense/expenditures. She stated that currently GASB 45 currently recognizes the liability within the note disclosures, whereas GASB 75 requires the full liability to be recognized on the balance sheet. Ms. Zimmerman noted that additional note disclosure and required supplementary information is required under GASB 75 and is effective for DASNY's fiscal year ended March 31, 2019. In response to an inquiry from the Board Chair, Ms. Zimmerman noted that GASB 75 will require more work by management associated with the potential liability than GASB 45.

Ms. Zimmerman then addressed GASB 86, which relates to Debt Extinguishment Issues that will be effective for the fiscal year ended March 31, 2019. She stated that the primary objective of GASB 86 is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, other than the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. Ms. Zimmerman further stated that GASB 86 clarifies the criteria that the in-substance defeasance would be set aside into a trust or escrow that is essentially risk-free. She noted that one such investment that DASNY uses is SLGs, however, GASB 86 removes SLGs from the definition of "essentially risk free." Ms. Zimmerman noted that KPMG reached out to GASB to inquire why SLGs were removed from the definition. She stated that GASB responded that SLGs are in fact considered to be "essentially risk free" although not included in the definition because they are not frequently utilized investments and therefore do not provide a particularly useful example. She further stated that GASB indicated that SLGS are not a commonly utilized investment, but that it met the definition of "essentially risk free" so DASNY may continue to invest in SLGs. In response to an inquiry by the Board Chair, Ms. Zimmerman stated that KPMG will document the conversation with GASB. She pointed out that within GASB 7, paragraph 4, there is a note stating that SLGs have not been removed as a non-risk free investment, and that DASNY can rely on that as well. She noted additional disclosures would be required to evaluate in-substance defeasances if there is the possibility for funds to be invested in investments that are not essentially risk free.

Ms. Zimmerman summarized GASB 87, relating to leases and loan receivables, and stated that GASB 87 will be effective for the fiscal year ended March 31, 2020. She also discussed a GASB Current Project—Conduit Debt, outlined on page 18 of the presentation. Ms. Zimmerman noted that early implementation is expected to be encouraged once the statement is approved. She gave an overview of the current project, including the criteria GASB is considering to define conduit debt. Ms. Zimmerman informed the Committee that once the exposure draft is issued, there will be a 90-day comment period. She stated that as a large conduit debt issuer, DASNY's comments would likely be considered by GASB. Ms. Zimmerman encouraged the Committee Members to contact her with any questions or comments.

In response to a question from Mr. Gardner regarding the timing for the implementation of any changes to be made as a result of this pronouncement. Ms. Zimmerman stated that she does not recommend making any changes at this point in time. Ms. Nadeau noted that, while DASNY may be required to remove certain debt from its balance sheet in the future depending on the language implemented, she did not recommend going through the process at this time.

In response to a question from Mr. Gardner, Ms. Zimmerman confirmed that PIT and Sales Tax Revenue Bond debt would stay on DASNY's books since DASNY is issuing for the State. She noted that such debt currently accounts for 60% of DASNY's debt now and is growing.

Ms. Zimmerman stated that DASNY should contact her with any questions or comments, and thanked the Committee Members for their support of the audit process.

The Board Chair moved that the Committee go into Executive Session to discuss the credit and financial history of particular corporations. Mr. Johnson 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. 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 over $8.5 billion in debt during the fiscal year, which is an increase of nearly $2 billion over the prior year. Ms. Nadeau also reported that with respect to construction, DASNY began work with the Department of Health and Empire State Development Corporation on a new $750 million Life Sciences Public Health Laboratory, continued permitting work for the Moynihan Station and Javits Convention Center, NYCHA projects, and other work.

Ms. Nadeau reported that the financial statement reflects an overall loss of $3.8 million, attributable mainly to DASNY's Atlantic Avenue subsidiary. She explained this is largely the result of the annual charge for depreciation and use of proceeds received in the prior fiscal year to pay debt service in the current year. Ms. Nadeau stated that 85% of the $8.5 billion of debt issued by DASNY came from refundings and new money issuances, with over half of the amount attributable to DASNY's public clients. Ms. Nadeau stated that in terms of customer distribution, issuances for DASNY's public clients increased significantly over the year to 83%, as compared to 55% last year. She reported that DASNY retired $6 billion of bonds, and that nearly half of that amount came from bonds that were refunded by new DASNY bonds. Ms. Nadeau stated that another 40% were the result of scheduled redemptions.

Ms. Nadeau directed the Committee Member's attention to pages 13 and 14, pointing out that DASNY ended the year with over $50 billion in outstanding bonds, an increase of $2.6 billion over 2017, and that public clients accounted for 71% of the total outstanding debt as compared to 68% last year.

Ms. Nadeau stated that with respect to DASNY's construction business, construction and loan disbursements increased approximately $1.2 billion in 2018, 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 $940 million in disbursements for the year, and with DASNY-Managed projects increasing approximately $225 million. In terms of client distribution, Ms. Nadeau stated that the overall portion attributable to DASNY's public clients increased to 86% in 2018, as compared to 74% in 2017. She further stated that this was driven by an increase of over $1.4 billion for public clients attributable to disbursements, while disbursements to private clients decreased by approximately $280 million.

Ms. Nadeau reported that DASNY's Statement of Net Position remained relatively stable in 2018, as it did in 2017, with a total investment balance of $4.8 billion. She noted that this reflects an increase of $1.2 billion from last year, primarily due to funds invested for construction projects and grant programs financed by DASNY-issued bonds. Ms. Nadeau then directed the Committee Members to Tab 4 and stated that the supplemental information provided with the financials includes DASNY's budget and actual expenses for its operations, the schedule of outstanding bonds and notes, and schedules that break the financial statements between public and private clients. She informed the Committee Members that the Board will be asked to adopt a resolution tomorrow approving the audited financial statements for the fiscal year ending March 31, 2018.

The Audit Committee Members decided unanimously to recommend approval of the Annual Financial Statements to the full Board.

Annual Investment Report for the Year Ended March 31, 2018

Ms. Nadeau the directed the Committee Members to the Annual Investment Report, located at Tab 8 in the materials. 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 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 Investments Report. Ms. Nadeau noted that there were no changes to the Investment Guidelines during the fiscal year. She reported that investment income totaled $40.3 million for the year, $7.6 million of which was earned from construction funds and $32.7 million from all other funds. She further reported that during 2018, DASNY paid approximately $755,000 for trustee and custodial services.

The Audit Committee Members decided unanimously to recommend approval of the Annual Investment Report to the full Board.

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, 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 expressed her gratitude to the various Assistant Directors who contributed many hours to the preparation of the financial statements: Karen Seiter, Assistant Director, Accounting and Financial Reporting; Karma Sees, Assistant Director, Debt; Kim Ellis, Assistant Director, Investments; Heidi Lenge, Assistant Director, Accounts Payable; Geoff Arnold, Budget Manager; and Nicola Zarelli, Deputy Chief Financial Officer. She stated that without their dedication, support and oversight of their teams, the information and audit results shared with the Committee today would not have been possible.

Additionally, Ms. Nadeau acknowledged and expressed her thanks to the newest members of the DASNY Finance team: Sophy Lai, Director of Financial Management, and Li Xu, Manager of Accounting and Financial Reporting. Ms. Nadeau stated that despite having only recently joining DASNY earlier this year, both were able to significantly contribute to the success of this year's audit and will continue to do so. Ms. Nadeau thanked KPMG for their role in making the audit process a smooth one.

Public Authorities Accountability Act Annual Report

The President presented a summary of DASNY's Annual Authorities Budget Office Report for Fiscal Year 2017-18 to the Committee Members. He thanked the team members for their collaborative efforts in making 2017-2018 a robust year for DASNY. He reported that DASNY's Public Finance Division completed 21 bond financings totaling $8.5 billion. The President stated that the largest public, higher education and health care financings included a $1.75 billion State Personal Income Tax transaction; a $678 million issuance for New York University; and $294 million issued on behalf of the Memorial Sloan-Kettering Center. He further stated that DASNY also completed 11 lease transactions under the Tax-Exempt Leasing Program with a total value of approximately $148 million.

The President reported that construction expenditures on DASNY-managed projects totaled approximately $857 million in fiscal year 2017-2018, and that DASNY ended the fiscal year with a pipeline of 932 projects valued at almost $6.16 billion. He stated that DASNY delivered 15 scheduled critical SUNY housing projects by the occupancy date including the complete building renovations of Bevier Hall at SUNY New Paltz and Wilson Hall at SUNY Plattsburgh, in addition to the completion of Phase I of the Mackenzie Complex at SUNY College of Technology at Alfred. The President further stated that DASNY progressed the $24 million design/build project for a new residence hall at SUNY Brockport toward the July/August 2018 completion date.

The President discussed various challenges that DASNY faced during the fiscal year in the public finance sector, including competition from other issuers of tax-exempt debt as well as market conditions. He stated that DASNY's business continues to be impacted by the proliferation of local development corporations issuing tax-exempt debt without having to comply with State oversight procedures applicable to DASNY. The President also stated that the interest rate spread between taxable and tax-exempt financing has remained relatively compressed, thereby minimizing the impact of a tax-exempt issuance.

The President stated that in fiscal year 2017-18, 13 DASNY bond issues were defeased as private clients continued to refinance their bonds elsewhere. The President reported that DASNY experienced a decrease in private client transactions over the course of the year as well. He noted that in late 2017, DASNY's clients were also faced with the potential changes to the federal tax law which would have severely limited their ability to access tax-exempt financing.

The President reported that within the construction sector of DASNY's business, DASNY-managed construction expenditures increased to $857 million, as compared to approximately $634 million during Fiscal Year 2016-17, an increase of approximately 35 percent. He pointed out that the profile of DASNY's construction work continues to shift to a higher number of smaller-sized projects.

The President informed the Committee Members that in order to address these challenges, DASNY has undertaken a number of steps, in particular the One DASNY initiative. He stated that these initiatives will deepen DASNY's mission, increase top-line growth, create efficiencies and properly manage risks so that DASNY can continue to meet the needs of its clients. The President further stated that DASNY will continue to evaluate processes and procedures in order to be more nimble, proactive, and efficient.

He thanked the Members for their extraordinary efforts in helping to address critical client accommodations, including holding six meetings in five weeks at the end of 2017. He stated that during this time period, DASNY worked hand-in-hand with its health and higher education partners to accelerate financings, as the ability of not-for-profit institutions to finance tax exempt bonds had been in question due to various federal tax reform initiatives. The President further stated that DASNY implemented various technology and knowledge transfer initiatives over the course of the year so that staff will continue to have the skills and expertise necessary to meet client needs.

The President stated that overall, the metrics for DASNY's major lines of business are consistent or slightly better than the previous year. He reported that with respect to construction delivery, DASNY is performing consistently or slightly better than last year, with 100% of scheduled critical SUNY housing projects delivered by the occupancy date. The President further reported that when compared to last year, DASNY had an overall higher percentage of completed projects delivered on time, as well as a higher percentage of projects delivered within 3 months after the projected completion date.

The President informed the Committee Members that DASNY's on-budget metrics were approximately the same as the prior year. He noted that the results were impacted by significant budget and schedule issues encountered on two major rehabilitation projects that DASNY completed in occupied facilities. He noted that both of these projects were multiple prime projects because they were initiated prior to the DASNY/NYC Citywide Project Labor Agreement, which has created efficiencies with respect to projects covered by the PLA.

The President stated that during the fiscal year, DASNY delivered 100% of the 12 bond issues closed for existing clients within the benchmark time frame metric. He further stated that DASNY delivered all four of the State supported financings during the calendar and times frames established by the Division of Budget. The President reported that in the aggregate, for the small number of new clients and pooled financings, DASNY performed slightly better than in 2016-17. The President noted that the summary of activities and metrics reports for DASNY's subsidiaries are also included as part of the DASNY Annual Public Authorities Reform Act Report.

The President informed the Committee Members that there was broad support for the One DASNY initiative by staff and that the organization remains focused on continued improvement in terms of providing clients with the speed, certainty, and flexibility that they have come to expect from DASNY. He stated that there is still more work to be done as DASNY continues to integrate resources and promote greater collaboration among departments to meet the needs of New York State. The President stated that he looks forward to additional accomplishments in the coming year.

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

The Chair stated that he is pleased to be working with Ms. Zimmerman as the lead engagement partner for the audit, and expressed that he is appreciative of her work, that of Mr. Koch and others on the KPMG audit team. He thanked Mr. Hadnott and his team from BCA Watson Rice as well.

Mr. Johnson moved that the Committee go into Executive to discussion the credit and financial history of particular corporations. The Board Chair seconded the motion, and the Meeting went into Executive Session.

EXECUTIVE SESSION

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

PUBLIC SESSION

The Board Chair moved that the contract for auditing services with KPMG be extended an additional year. Ms. Snyder seconded the motion, which was approved unanimously.

The Audit Committee Meeting was adjourned at approximately 6:10 p.m.

Respectfully submitted,

Michael E. Cusack, Esq.
Assistant Secretary