

A Conference Call and Video Conference Meeting of the Audit Committee of the Dormitory Authority of the State of New York (“DASNY”) was held on June 22, 2021 with proceedings commencing at 4:10 p.m.

**Sara Richards, Managing Senior Director, Governance and Administration:** Thank you. As a result of the ongoing public health emergency related to COVID-19, Executive Order 202.1, as extended, authorizes public boards to meet remotely and take action without permitting in-person access to meetings. The public must have the ability to view or listen to the proceedings. An audio and video recording of today’s meeting will be accessible from DASNY’s website within two days, and a transcript will be posted thereafter. For additional information, please see the DASNY website.

I will now read the roll and then turn it back to you, Mr. Chair.

We have with us today the following Committee Members:

Jon Gardner, Esq. – Committee Member  
Joan M. Sullivan – Committee Member  
Gerard Ronski, Esq., Temporary Committee Member

We also have the following Board Members with us:

Alfonso L. Carney, Jr. – Board Chair  
Tracy Raleigh, Designated Representative of the Commissioner of Health, Board Member (*ex officio*) – Board Member

From KPMG we have:

Marie Zimmerman, KPMG (entered after the roll)  
Jeffrey Koch, KPMG (entered after the roll)

We also have the following Staff Members:

Reuben R. McDaniel, III, President and Chief Executive Officer  
Paul G. Koopman, Vice President  
Portia Lee, Managing Director, Public Finance and Portfolio Monitoring  
Kimberly A. Ellis, Chief Financial Officer  
Caroline V. Griffin, Chief of Staff  
Nadine Fontaine, Esq.  
Ricardo Salaman, Esq., Deputy General Counsel  
Sara Potter Richards, Esq., Managing Senior Director, Governance and Administration  
Kathy Ebert, Senior Director, Internal Audit  
Michael L. Johnson, Director, Diversity and Inclusion  
Deborah K. Fasser, Director, Strategic Communications and Business Development  
Dena T. Amodio, Esq., Assistant General Counsel

Stanley J. Reed, Assistant Director, Investment  
Steve Winters-Bona, Assistant Director, Financial Management  
Karen Ehlinger, Manager, Internal Control Analysis  
Li Xu, Manager, Accounting  
Kelly M. Cooper, Senior Accountant II  
Maria Carrasco, Financial Analyst  
Diane Felitte, Executive Administrator, Governance and Administration

I believe that is everyone and we will admit the Auditors at this time.

**Mr. Carney:** Mr. Chairman, this is Al Carney. For the record, we do not have Committee Members John Johnson and Beryl Snyder with us today. In order to ensure a quorum, I have asked the Finance Committee Chair, Gerard Ronski, to sit in the Meeting and to vote as a voting Member of the Meeting. I have appointed him temporarily, as a Member of your Committee, so that we will have a quorum and conduct business today.

**Chairman Gardner:** Thank you. I want to begin by welcoming Nadine Fontaine to her first Audit Committee Meeting. I am looking forward to working with you, and hopefully we will meet in person someday.

Behind Tab one, we have the Transcript of the last Audit Committee Meeting. Does anyone have any comments or changes to the Transcript and if not, could I have a motion to approve the transcript?

**Joan Sullivan, Committee Member:** I will make the motion.

**Chairman Gardner:** Thank you, Joan.

**Gerry Ronski, Temporary Committee Member:** I will second.

**Chairman Gardner:** Thank you Gerry. I am going to ask if anyone opposes? Hearing none, the motion passes. And now I will turn this over to Kim for review of the Basic Financial Statements.

**Kimberly Ellis, Chief Financial Officer:** Thank you Jon. Good afternoon everyone. Before we move into the details, I'll give a quick summary of the highlights of this year's audit results. KPMG expects to issue three unmodified opinions on DASNY's financials, the supplementary information included with the financials, DASNY's compliance with the State Comptroller's investment guidelines and DASNY's investment policy and guidelines. KPMG did not identify any significant deficiencies or material weaknesses in our internal controls; therefore, they won't be issuing a management letter. Unless there are any questions, I'll now turn the discussion over to KPMG to review their required communications.

**Marie Zimmerman, KPMG:** Thank you, Kim. Good afternoon. Thank you for having us here today. Jeff Koch, who is with me today, is going to start sharing his screen.

We had a smooth audit. One of the things that we believe makes KPMG a great partner for the Dormitory Authority is that we have a lot of the same initiatives, including a commitment to diversity and inclusion. We wanted to start off with noting that the mirroring of our core values really makes for a great process as we are working with management, the Committee and the Board in open dialogue as we work to achieve these common goals.

As Kim noted, we are going to be providing a clean opinion over the Dormitory Authority's March 31, 2021 Financial Statements. We did not identify any corrected or uncorrected misstatements throughout the year, but Jeff Koch, who's with me today, will be going through our required communications in more detail.

In addition to our clean opinion on the Basic Financial Statements, we also will be providing an unmodified, or clean opinion, on the Dormitory Authority's compliance with section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York. In addition, we will also be providing a report on the supplementary schedules, which is also a clean opinion in relation to the Basic Financials.

The next slide depicts our overall final engagement team. As you may recall, in our audit plan we had planned to use two contracting firms, and we did utilize two MWBE firms this year - Long Island Financial Management and Valles Vendiola, LLP.

Valles is a new firm that we included this year for our MBE requirements. We worked closely with them as a part of our team and Jeff and myself reviewed all their work under this direct assistance. In addition, we also utilized DASNY's Internal Audit staff this year for direct assistance and it was a very smooth process incorporating them within our audit team. We thank them for all their assistance as we went through the audit.

Before I turn it over to Jeff, I do want to note for the record that we appreciate working with management throughout this process. It's never easy to be audited by external auditors and we greatly appreciate all the open dialogue and timely feedback and information that they provided to enable us to conduct this audit in such a timely manner. So with that, Jeff, I will turn it over to you to go through some of the required communications.

**Jeff Koch, KPMG:** Thanks Marie. This slide shows our normal required communications that, in accordance with the auditing standards, we are required to communicate. They are consistent with what you would have seen in the past. We are happy that, as of today, there are no outstanding matters related to the audit, we have all the information we need, so we will be able to issue our opinion on time as expected.

During the current fiscal year, while there are some large transactions, none of them were deemed to be significant, unusual transactions that didn't follow normal authoritative guidance or DASNY policies. As well as during the audit, there were no uncorrected misstatements identified nor corrected misstatements. There are no matters to report related to any financial presentations or disclosure that DASNY admitted. Basically, the financial statements have the majority of the important disclosures that are required in accordance with those audit standards. There are no new

non-GAAP policy or significant matters to report related to those. In our auditors' report, there is a typical modification in that there is an "other matters" paragraph. This is required in accordance with government auditing standards, whereby you are disclosing some information related to the required supplementary information. Back in the fall, we presented our audit plan and are happy to report that we made no modifications to that plan, we followed the strategy and we didn't have to veer off course as a result of any transactions or difficulties encountered.

The significant accounting policies and practices, as noted in Note 2 to the Basic Financial Statements, have been prepared in conformity with US Generally Accepted Accounting Principles (GAAP), as well as those established by the Government Accounting Standards Board (GASB). You will note that DASNY adopted the new standard this new year, GASB 88, "Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements." This resulted in substantial changes in that some of the information is now bifurcated. What you'll see is the State debt and certain provisions of debts such as a subjective acceleration clauses or other termination policies and such. We do review that as part of the audit and we found that the disclosures presented by DASNY were fairly representative of all your bond offerings as required.

And lastly, during the 2021 audit, there were no significant transactions recorded, that we are aware of, which lacked authoritative guidance or consensus. There are a couple accounting estimates, as with all financial statements, including the actuarial assumptions utilized when calculating total OPEB, as well as the valuation of investments. We evaluated those estimates and ultimately concluded that they were reasonable when considering them in the financial statements, taken as a whole.

Moving on to the next slide, there are no other matters to report. That is, there are no significant matters related to related parties and no significant matters relating to subsequent events, just typical activity for DASNY. There was no actual or suspected fraud involving management employees with significant roles in internal control or where fraud results in a material misstatement in the financial statements. There were no other matters related to any non-compliance with laws or regulations, significant difficulties encountered in the audit, or other matters.

We hereby confirm that, as of today, and throughout the audit, we are independent audit accountants with respect to DASNY under all relevant professional and regulatory standards. We have performed all of our required inquiries, and there is a slide that outlines what those were. We met with management, the Audit Chair and the Board Chair to review these, and we are happy to report there and no matters resulting from these discussions.

Moving on to the next slide, the first accounting estimate we're going to talk about is the total OPEB liability. DASNY, in accordance with GASB 75, is required to record OPEB costs and liabilities based on the actual valuation; for the March 31, 2021 financials the calculation utilizes a March 31, 2020 valuation date with a measurement date as of that date. There are some key assumptions, such as discount rates, expected healthcare trends, and projected salary information, as well as the census data, that management utilizes in projecting that liability. We evaluate those assumptions and involve an actuarial specialist. Based upon our review, we didn't notice any

indication of unusual or inappropriate management bias related to those assumptions, and overall, the qualitative factors, as well as the quantitative factors, were reasonable and consistent with GASB 75.

The second estimate we had was related to the fair value of investments. We note that because this is a fair value estimate, you are relying on a pricing source—specifically, for DASNY, the pricing comes from SunGuard, IDC, or ICE. We take the portfolio of those investments and for 100% of them, perform procedures whereby we independently verify by comparing the price that is used from the SunGuard system to other sources that are not the IDC or ICE system. Based on that process, there are no indicators of inappropriate management bias. We ultimately concluded that the represented fair value was consistent and appropriate, and in accordance with GASB 72.

The next slide is the “other information” slide where we talk about the required supplementary information. We perform limited procedures over that information to ensure that the methods were appropriate in how they were presented and in accordance with the financial statements. In relation to the basic financial statements, there were no discrepancies and based on that, there were no material inconsistencies that were identified.

And last, this is just a slide that we presented back in the fall, which shows our approach to the fraud risk. We consider audit quality as a high priority and as we talked about before, we identify instances of management override of controls and significant risks. As with every audit engagement we do, management is in a unique position to perpetuate fraud, so we do test certain controls to understand how management mitigates that potential risk, as well as perform evaluations over the journal entries that management records during the years. As we did those procedures during this current year, we're happy to report nothing was identified that would cause us to believe there was any sort of management override of those controls.

So that's the last slide we have. Here again, as I mentioned, is the inquiry slide to show that these were the inquiries we would have performed with management. Again, no matters came to our attention based on those inquiries, we have completed the review and we are ready to issue our opinion on the financials. With that, I will turn it back to Marie.

**Ms. Zimmerman:** Thank you Jeff. On the next slide, we have included our audit quality and transparency summary. KPMG put this report out in December of 2020 to communicate a summary of our audit quality and transparency internal controls that we have in place. As this report came out after our planned audit presentation, we wanted to include it here. We can absolutely provide it to you, or you can find it available right there on the link.

Moving to the next slide and looking forward, I did just want to note that things happening right now in the industries around accounting isn't necessarily related to accounting - it's related to ESG, or environmental, social and governance criteria. I know ESG has been at the forefront of DASNY's initiatives, as you've been thinking through your diversity inclusion metrics and have key metrics that you hold yourselves to, at a very high standard. Some things to consider here that we're seeing in the industries, is also thinking about what other ESG topics could you be doing, could you be measuring and could you be reporting those? Should you consider reporting them or

publishing them to the public? What processes exist over internal controls and exist over the data being collected and reported? And are you get getting assurance on these ESG metrics that you are applying and holding yourself accountable to, and who in charge of governance should be responsible for creating and adding ESGs? Maybe you've completed a couple ESG initiatives and you want to start a new one--who is ultimately responsible for those?

One of the reasons we wanted to highlight this is because ESG is on the rise of agendas for the SEC, for reporting standards, there are social pressures related to it and even access to capital. We recognize that given the industry you are in, you will be making ESG considerations as you're considering who to loan to and to take that debt out. So again, it's in the very early stages of this current President's agenda in the marketplace that we're in, but I just wanted to highlight it as a looking-forward type of agenda that we're seeing in the marketplace as a little bit of value added and to take a moment of our time here today.

That is our presentation. Does anyone have any questions?

**Mr. Carney:** Marie, I am not terribly familiar with ESG. Is there someone other than Kimberly in the DASNY organization, who you are dealing with on this?

**Ms. Zimmerman:** Actually, no Al. We haven't had a lot of discussions with management around it, as it is an evolving process. I plan to do so in the coming year, as we are already retained as your auditors for next year. I welcome the opportunity and would like to discuss it.

**Mr. Carney:** I would like to better understand ESG. As KPMG produces material related to ESG, would you be kind enough to send to Kimberly whatever information and materials are produced with regard to ESG? I'll then ask Kim to forward that information to other senior managers at DASNY, but I would also like to see what it is and where it's going. I don't want KPMG to send this to me directly or to the Board Members directly, but I would like for KPMG to make sure you have it as they produce it, such that we can then see what management is looking at. It's governance driven and that's what we do.

**Ms. Zimmerman:** We are happy to. We are just starting to put out some White Papers and are talking about holding some training sessions. Kim, I will definitely keep you in the forefront of my mind, as I see information come our way. Again, it's evolving and we are just trying to get the word out.

**Mr. Carney:** I'm glad that we're on the forefront of it.

**Reuben McDaniel, President:** At the risk of "over-answering" a question, DASNY internally, for our own operations, has environmental goals that we meet with respect to our building, our fleet and other areas. We keep up to date on the latest trends, following the Governor's direction on getting to net zero. In our construction group, we have someone who helps us work with our clients on their own ESG goals and making sure that our construction execution matches those goals. We have one net zero dorm we did for SUNY Poly, which is a flagship project for us in that area. Portia Lee and her group are evaluating the green bonds/ESG bond movement and are

making sure that we, as a conduit issuer, have the best information to help our clients as they look to issue green bonds. This is high on our list of initiatives at DASNY, and we have both professionals and a commitment from management to continue that program. We will share that with you in a presentation to the Board, if that's of interest, regarding the work for KPMG and how to be best in class around ESG.

**Mr. Carney:** Thank you. I would actually like to see the White Papers that Marie is talking about. It is external, and may be AICPA driven or it may be KPMG driven, but I would ask you to consider, and it is your decision, of course, to consider sharing that material with the Board, as well as an occasional presentation, if you choose to do it, on what our internal ESG goals and metrics are.

**Mr. McDaniel:** We are happy to do it.

**Mr. Carney:** Thank you. Thank you, Marie.

**Chairman Gardner:** Thank you. Marie is on vacation, so double thank you.

**Mr. Carney:** Good for you, forgive us for interrupting your break.

**Ms. Zimmerman:** I wanted to be here because we got through the audit in such a smooth fashion. Thank you to management for allowing me to go on vacation with my family this week.

**Mr. Carney:** It has been a very, very difficult year, particularly with respect to internal controls. Congratulations to Kimberly Ellis for making the transition to the “Ellis era,” and at the same time maintaining and even raising the extraordinarily high standards that were set previously, such that we have unmodified opinions, and there are several of them. Kimberly, you are to be congratulated for having managed through an extraordinary year. I hope never to see a year like this one again. We benefit from your attention to detail Kimberly, thank you for that.

**Ms. Ellis:** Thank you.

**Chairman Gardner:** Are there any other questions on the presentation? Kim, do you want to talk about the MDA now?

**Ms. Ellis:** Thank you, Marie, thank you Jon. Turning back to the Financial Statements included in the Audit Committee Tab of your materials, I'd like to review some of the more significant items that were included in this year's Financial Statements and provide you with highlights of DASNY's financial results for the year.

Beginning with the Executive Summary on Page 5, highlights for our lines of business included another record-breaking year for our debt issuance activities, issuing \$10.6 billion in debt. Most of this was related to the issuance of short-term notes on behalf of the State in response to the COVID-19 pandemic. On the construction management side, despite the delay in projects as a result of the pandemic, we were still able to assist in the efforts to convert South Beach Psychiatric

Center to a Northwell Hospital outpost for COVID-19 patients. We completed code permitting work on the Moynihan Station Project and the train hall opened in December. Additionally, we completed construction of the new 257-bed zero-net carbon-certified residence hall at SUNY Poly's Utica campus. And lastly, we began construction on a new academic building on the campus of FIT and a new school of nursing building at Lehman College.

As Jeff mentioned, from an accounting standpoint, we adopted GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. This required additional disclosure within the notes to the financial statements, including unused lines of credit; assets pledged as collateral for debt; and terms specified in debt agreements related to significant events of default with financial consequences; significant termination events with financial consequences; and significant acceleration clauses. It also required that debt information related to direct placements and direct borrowings be reported separately from other debt in the footnotes. This new GASB had no impact on the financial statements, as the new rules related solely to additional disclosures.

Turning to our financial results, overall, the Financial Statements reflect a decrease in our Net Financial Position of \$86 million, the majority of which is activity in our Restricted Funds. DASNY's operations showed a loss of \$3.3 million. The loss reflects a surplus of \$1.9 million on the private institution side, primarily due to a \$1.7 million reduction to the allocation of OPEB expense and a \$1.1 million surplus for financing & bond administration, offset by a \$5.3 million deficit on the public side, which drove the overall deficit for the year. The deficit is due in large part to management's decision not to allocate a \$4.8 million increase to overhead rates as a result of the pandemic. Had we allocated that expense back out to our clients, we would have ended the year with a \$1.5 million surplus from DASNY operations.

In terms of debt issuance, as shown on pages 8-9, we had over \$10.6 billion of issuances for the year. Nearly 95% of that came from new money and refundings, with nearly 75% coming from new money issued to our public clients. In terms of distribution, and as shown in the charts, 93% of overall issuance was on behalf of our public clients. This was due in large part to the transactions undertaken to support the State's financial needs in the wake of the COVID-19 pandemic.

On pages 11-13, you'll see we had \$9.9 billion in bond retirements for the year. Approximately 75% came from scheduled redemptions and 21% from bonds that were refunded by new DASNY bonds. The allocation by client type saw an increase to 84% for public clients, up from 62% in the prior year. This was driven by the issuance of short-term notes on behalf of the State in response to the COVID-19 pandemic.

Moving to pages 13-15, we ended the year with nearly \$59 billion in outstanding bonds--a moderate increase of \$761 million from 2020, due to new money issuances being offset by a higher level of scheduled redemptions as a result of activity related to the State's short term note issuances and limited activity on the private client side, which saw a net reduction in outstanding bonds. The split between public and private bonds remained relatively stable at 72% and 28%, respectively.



In terms of our Construction Management line of business on pages 16-18, our total construction and loan disbursements increased by approximately \$2.5 billion in 2021. Certified Disbursements drove the increase with \$2.7 billion more in disbursement requests, primarily all from public clients and related to the State's short-term note transaction. Private client proportionate share of total construction expenditures decreased to 9% in 2021 from 22% in 2020.

Turning to page 20, DASNY's Statement of Net Position decreased \$86 million in 2021, primarily due to reduced interest income as a result of significantly lower interest rates, an increase in the net pension liability, largely driven by interest rates, and the use of prior year surpluses to cover operating costs. Increases of approximately \$1.2 billion in our assets and \$1.3 billion in our liabilities were largely driven by net increase in bonds outstanding and the related increases in amounts held waiting reimbursement to the State, in addition to increased unearned financing income in connection with the prepayment of debt service.

On page 21, you can see the total investment balance of \$4.8 billion reflects an increase of approximately \$700 million, primarily due to new money bond issuance activity and amounts invested for payment of debt service on April 1, 2021, which typically would have matured on March 31 and held in cash awaiting payment. I'd also like to draw attention to the caption at the bottom of the chart, where it shows we also held \$3.7 billion in money market funds, up from \$957 million the prior year, largely due to the PIT financing that closed at the end of the fiscal year, as well as monies received for prepayment of debt service at the close of the fiscal year, highlighting the fact that DASNY's investment portfolio has actually grown to over \$8.5 billion as a result of the aforementioned transactions that occurred at the end of the year.

Also included within your materials, we have the supplementary information that is provided with the financials. Those include schedules that break out our Financial Statements between public and private clients and DASNY's operations, DASNY's budget and actual expenses for its operations; and a schedule of outstanding bonds and notes. We are required to submit the Auditor's Report and Basic Financial Statements to the Office of the State Comptroller by June 30. During tomorrow's Board Meeting, there will be a Resolution for the Board to approve adoption of the Basic Financial Statements as of and for the year ended March 31, 2021. Are there any questions on the Financial Statements?

**Chairman Gardner:** I have a quick question for you. In your report, where you talked about overhead that we elected not to allocate to clients, can you just tell us a little more about what that was?

**Ms. Ellis:** We estimate our overhead rate that we bill clients, and then they make deposits to us ahead of time, based on actual labor charges. As a result of the pandemic and staff being home more frequently, our overhead rate was at a higher rate than what we estimated. We typically would re-bill them and send them another bill to actually repay for what we underestimated and we chose not to send that rebill out to clients.

**Chairman Gardner:** Okay. Was that decision made so as not to add insult to the injury of the pandemic?

**Ms. Ellis:** Absolutely.

**Chairman Gardner:** That sounds like a very good decision.

**Mr. McDaniel:** Jon, we do that in consultation with our best clients so they are aware.

**Chairman Gardner:** Good. Thank you.

**Mr. Carney:** Thank you Kimberly.

**Chairman Gardner:** If there are no further questions, I would like to call for a motion to recommend to the Board the approval of the Dormitory Authority's Basic Financial Statements.

**Joan Sullivan:** It's Joan, I would like to recommend that.

**Chairman Gardner:** Thank you, Joan.

**Gerry Romski:** I'll second that Jon.

**Chairman Gardner:** Thank you Gerry. Is there anyone opposed to approval of the motion? Hearing none, the motion carries unanimously. I would like to turn it back over to Kim for the Annual Investment Report.

**Ms. Ellis:** Thank you Jon. The next report is the Annual Investment Report, which DASNY is also required to file with the Office of the State Comptroller. The report includes our Investment Policy and Guidelines and summaries of investment income earned and fees paid for the year. A copy of DASNY's Financial Statements will also be filed with the report.

There was one change in our Investment Guidelines during the year. At the March 31, 2021 meeting, the Board approved an amendment to Section IX to allow for permitted investments to be purchased, sold or presented for redemption by secure electronic means.

Investment income totaled \$5.8 million for the year, \$2.3 million of which was earned from constructions funds, with the remaining \$3.5 million from all other funds. During 2021, DASNY paid approximately \$776,000 for trustee and custodial services. Are there any questions on the Investment Report?

Before I conclude, I would like to take a moment to thank the people that made the receipt of these results possible. As you all are aware, this year's audit was once again conducted remotely as we continued a hybrid work environment, with staff periodically in the office as needed, but for the most part they conducted business from home. This year's audit was under a different set of circumstances as the period under audit was for work primarily done while working remotely. In contrast to last year's audit, although conducted remotely, the audit covered a period of time while staff were still working 100% from the office, pre-pandemic. Despite the many challenges, the

team continued to maintain the accuracy of our financial records and provide outstanding support to KPMG, both of which were critical to achieving these results. This was accomplished all while losing people in senior roles and who had a long history with DASNY, in addition to allowing me to transition into my new role and undertake the audit from a different perspective.

I have been able to rely heavily on the experience, knowledge and dedication of the Finance staff to maintain our books and records accurately, to provide the necessary support to our independent auditors to ensure that we continue to receive unmodified opinions, and to ensure that our Financial Statements are filed with the State in a timely manner.

In particular, I would like to thank Li Xu, Manager of Accounting, who led us through the audit for the first time on her own due to the retirement of Karen Seiter at the end of last year's audit. She had the support of Karma Sees and Steve Winters-Bona, Assistant Directors in the Debt Unit; Stanley Reed, Asst. Director, Investments; Geoff Arnold, Director of Budget & Operations; Kelly Ray, Manager of Accounts Payable, Tonette Tomlin, Senior Financial Analyst – Debt; and their respective teams. Without the dedication and oversight of these teams, today's audit results would not be possible. I especially want to thank them for making my transition into the CFO role seamless. I've been through many year-end audits, but this one was certainly a different experience than all the others and I just want to say I'm truly grateful to have such highly skilled and professional staff at the helm to ensure we are guided in the right direction. I would also like to thank Jia Wu from our Internal Audit team who supported KPMG during the audit process.

Lastly, I'd like to thank KPMG for their support and role in making the audit run smoothly. I appreciated their calm reassurance that we were still on track at every status meeting where the completion pie chart just didn't seem to be moving along quickly enough for me. I truly appreciate their continued professionalism in conducting the audit. Thank you, Marie, Jeff and your team of professionals. That concludes my remarks.

**Joan Sullivan, Committee Member:** Jon, do you mind if I add my two cents? For many years, I was the recipient of these financial reports from many of the State agencies. DASNY was always the lead. The importance of getting these reports on time allows New York State to file the consolidated financial report, which is due on August 15. We are one of the few states in the country that files on time, primarily because of the kind of work that DASNY does. So kudos Kim, it is a huge effort and it's very important. Thank you.

**Chairman Gardner:** Here, here! On behalf of the Audit Committee, thank you, Kim and everyone that you listed in your remarks.

**Ms. Ellis:** Thank you.

**Mr. Carney:** And on behalf of the Board, as I stated earlier, this has been an incredible year for you. You have had to make so many different adjustments. You've risen to every challenge to which you had to rise and we are very grateful for your attention to the kind of detail that was required to make this all work out. I know your relationship with KPMG is a good one, it has been for a number of years, but the transition you have had to go through in the middle of a pandemic

could have gone in any direction. You made sure that it went in the direction DASNY required and you did a fabulous job of it. Thank you so much.

**Ms. Ellis:** thank you.

**Chairman Gardner:** And with that, I would like to call for a motion to recommend to the Board the approval of the Investment Report.

**Ms. Sullivan:** It's Joan, so moved.

**Chairman Gardner:** Thank you Joan.

**Mr. Romski:** Second.

**Chairman Gardner:** Gerry, thank you. Is anyone opposed to ratifying this motion? Hearing none, the motion passes unanimously. And now I would like to turn it over to Reuben for the Public Authorities Accountability Act Annual Report.

**Mr. McDaniel:** Thank you Chairman Gardner. As you know, each year we have a responsibility to file a report to the Public Authorities Accountability group, our ABO Report, which you have received. I want to thank Jeff Gordon and the Communications team, as they spent time this year trying to make that more accessible to the reader. It summarizes our operations both in words and technically. I think it was very well done this year. And so, with that Mr. Chair, I will ask for your approval to submit the report to the Accountability Review Board.

**Chairman Gardner:** Thank you. Can I have a motion to approve that submission to the Board tomorrow?

**Ms. Sullivan:** Once again, Joan makes the motion.

**Chairman Gardner:** Thank you Joan.

**Mr. Romski:** And I will second it.

**Chairman Gardner:** Again, thank you. Is anyone opposed? Hearing none, the motion carries unanimously.

And that covers the formal portion of this Meeting. May I please have a motion to go into Executive Session to discuss the financial history of a particular corporation and matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or Corporation?

**Ms. Sullivan:** So moved.

**Mr. Romski:** Second.

**Chairman Gardner:** Joan and Jerry again. Let us go into Executive Session.

**Mr. McDaniel:** Mr. Chairman, before you do that, I just want to say to the rest of the staff that when we come out of Executive Session, we will just adjourn the Meeting, so there is no need for staff members not in executive session to stay.

**Chairman Gardner:** I want to thank the members of KPMG who are with us.

**Chairman Gardner:** So we will have in Executive Session, Reuben McDaniel, Paul Koopman, Nadine Fontaine, Kathy Ebert and Karen Ehlinger as well as the Audit Committee and Board Members.

**Ms. Richards:** We will pause the recording and you will move in automatically.

## EXECUTIVE SESSION

## PUBLIC SESSION

**Chairman Gardner:** We have just concluded Executive Session. No action was taken in Executive Session, other than to return to the Public Session.

Is there any new business to be considered? Hearing none, could I have a motion to adjourn the Meeting?

**Ms. Sullivan:** I make the motion.

**Mr. Romski:** And I will second that.

**Chairman Gardner:** Does anyone oppose? Hearing no one opposed, the motion carries and the meeting is adjourned.

The Meeting adjourned at 4:52 p.m.

Respectfully submitted,



Sara P. Richards  
Assistant Secretary