

The Dormitory Authority of the State of New York Audit Committee Meeting was held by videoconference technology among DASNY's Offices in New York City, 28 Liberty Plaza, New York, New York; 515 Broadway, Albany, New York; and 6047 Transit Road, East Amherst, New York at 9:33 a.m. Wednesday, November 12, 2025.

### **CALL TO ORDER/ROLL CALL**

The following Board Members and Staff were present:

#### **Committee Members Present**

Joan Sullivan, Audit Committee Chair – (Albany)  
Beryl L. Snyder, Committee Member – (NYCO)  
Kent Syverud, Committee Member – (Albany)

#### **Committee Members Absent**

Alfonso L. Carney, Jr., Committee Member

#### **Other Board Members Present**

Lisa Gomez, Board Chair (NYCO)  
Gerard Romski, Vice Chair (NYCO)  
Janice McKinnie, Board Member (Buffalo)  
Elizabeth Velez, Board Member (NYCO)  
Ken Evans, Designated Representative of the Commissioner of Health, Board Member (*ex officio*) – (Albany)

#### **Other Board Members Absent**

Christina Coughlin, Designated Representative of the Commissioner of Education, Board Member (*ex officio*) – (Albany)  
Adrian Swierczewski, Designated Representative of the Director of Budget, Board Member (*ex officio*) – (Albany)

#### **KPMG Auditors**

Jeffrey Koch, Audit Managing Director  
Jake Day, Lead Engagement Manager  
Marie Zimmerman, Engagement Quality Control Review Partner

#### **Senior and Presenting Staff Members**

Charlie Williams, Vice President  
Stephen Curro, Managing Director, Construction  
Kimberly Ellis, Chief Financial Officer  
Portia Lee, Managing Director, Public Finance & Portfolio Monitoring

Jennifer Maglienti, General Counsel  
Sara Potter Richards, Managing Director, Executive Direction  
J. Matthew Moore, Deputy General Counsel  
Ricardo Salaman, Deputy General Counsel  
Jenilee Flinton, Director, Internal Audit  
Jia Wu, Senior Internal Auditor  
Gregory Maisenbacher, Manager, Internal Control Analysis  
Matthew Bergin, Director, Public Finance

Various Staff Members of the Dormitory Authority of the State of New York and Members of the Public also joined via Teams.

## **PUBLIC SESSION**

### **Approval of the Meeting Minutes from June 25, 2025**

Audit Committee Chair Sullivan welcomed the Members and Staff to the Audit Committee meeting and a quorum was declared present. The minutes from the June 25, 2025 Audit Committee meeting were unanimously approved.

### **Audit Committee Charter & Internal Audit Department Charter – Annual Review**

Audit Committee Chair Sullivan informed the Committee Members that the Audit Committee Charter and the Internal Audit Department Charter must be reviewed by the Committee annually. She stated that staff is not recommending changes to the documents at this time.

The Committee Members confirmed their review of the Charters and agreed that no changes are needed.

### **Review of the Audit Plan**

Ms. Ellis welcomed Jeffrey Koch, KPMG Audit Managing Director, Marie Zimmerman, Engagement Quality Control Review Partner, and Jake Day, KPMG Lead Engagement Manager from KPMG Team and asked them to present the 2025-2026 Audit Plan. It was noted that other team members have worked on the DASNY Audit previously, including Long Island Financial Management Services and Team Avaloria, the MWBE and WBE firms assisting KPMG with the Annual Audit.

The presentation described the tasks that KPMG will undertake as external auditor. Mr. Koch informed the Committee Members that these responsibilities are consistent with past years and will also include the migration of the JD Edwards system to the Microsoft Dynamics 365 platform, expected to occur in February 2026. He stated that audit of the basic financial statements will be for the March 31, 2026 financial statement period and will be performed in accordance with auditing standards generally accepted in the United States of America, as well as the standards applicable to financial statement audits contained in the Government Auditing Standards (GAS) issued by the Comptroller General of the United States. He further stated that the audit of financial statements includes consideration of internal control over financial reporting as a basis for designing

audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of those controls. Mr. Koch informed the Members that the audit will also include an examination of compliance with the requirements of part 201.3 of Title Two of the Official Compilation of Code, Rules, and Regulations of the State of New York. He noted that later this year, KPMG will issue the 6 individual DASNY bond financial statements.

Mr. Koch explained the quantitative and qualitative factors to be considered when developing materiality and discussed the overall timeline for the audit. He stated that the process begins with planning and risk assessment in January; continues with interim work in February and March; and the year-end audit work will take place from April to June, when the final audit results will be provided. Mr. Koch further stated that the substantive audit procedures over the individual financial statements will occur in July through September.

Mr. Day informed the Committee Members that the scope of the audit will be consistent with prior years. He stated that KPMG will perform 100% confirmation over State cash and investment balances, as well as those presented on the individual financial statements. Mr. Day further stated that price testing will be performed through KPMG's National Pricing Desk, which performs independent valuation procedures over the same investments. He explained that this process gathers pricing data from a number of independent sources and ensures that all data points support DASNY's valuation. He noted that confirmations of bonds and notes outstanding, a statistical sample of conduit debt, and those associated with individual financial statements will be performed.

Mr. Day stated that for leases and loans receivable, KPMG will obtain a roll forward of the year's activity and test key components of that activity including debt repayments, construction fund disbursements, and construction fund income on investments. Ms. Zimmerman noted that 100% confirmation of State issuances is in excess of standard AICPA required procedures, but KPMG will continue this practice at the request of DASNY. Mr. Day briefly summarized the specialists that will be involved in the audit, including actuaries to assess OPEB obligations and calculations, and other programs, professionals and tools to examine various areas including new programs or employees, subscription-based IT agreements, cybersecurity risks, and an examination of DASNY's conversion from JD Edwards to Microsoft Dynamics 365. Ms. Sullivan asked whether KPMG will be testing both JD Edwards and Microsoft Dynamics. Mr. Day responded that the auditors and IT Specialist will perform testing and procedures over both systems, as well as the controls that are in place for data conversion.

Mr. Day informed the Committee Members that the auditors and IT professionals will examine the potential for management override of controls, which is a risk for every organization including DASNY. He stated that the new system relies more on systemic controls embedded in the technology as a workflow review process, as compared to JD Edwards, which relied on a manual-based approach. Mr. Day explained that the specialists will examine management controls, underlying general IT controls, and controls associated with program access to assess the barriers that exist to prevent the manipulation of financial records.

Mr. Day stated that the audit will also examine the financial reporting and journal entry controls in place, both pre- and post-system conversion. He further stated that KPMG will obtain a listing of all journal entries posted in the system for the fiscal year and then prove the completeness of that population by doing a roll forward of that activity. Mr. Day explained that the auditors will then

select certain higher risk or unusual transactions to examine whether adequate documentation exists for those journal entries to support the balances and the overall approvals that went through the process. He noted that this process will be undertaken for both pre- and post-system implementation.

Mr. Koch provided an overview of others involved in the annual audit, including DASNY's Internal Audit Staff, actuarial specialists, technology assurance and cybersecurity professionals. He noted that with respect to the cybersecurity assessment, the auditors will examine the potential for the risk of a potential fraud risk or material misstatement resulting from unauthorized access to the system, as well as an evaluation of other impacts of a cybersecurity incident. Mr. Koch indicated that in the event a cybersecurity event does occur, the audit plan may need to be modified.

Mr. Koch informed the Committee Members that there are no new GASB pronouncements going into effect this year. He noted that DASNY implemented GASB 102 earlier this year and is now current. He stated that GASB 103 and 104 will be announced this year. Mr. Koch explained that GASB 103 relates to government financial reporting to promote comparability, and will impact DASNY more than GASB 104, which pertains to the disclosure of certain capital assets. He stated that GASB 104 is anticipated to have a very low to no impact on DASNY.

Mr. Koch provided an overview of the importance of audit independence, the responsibilities of KPMG and DASNY, and a reminder that KPMG may reach out to DASNY Management, Members of the Audit Committee, or Board Members with inquiries or requests for information.

### **Internal Audit Report**

Ms. Flinton delivered the Internal Audit Report. Ms. Flinton informed the Committee Members that the Internal Audit Department Charter and the Global Internal Audit Standards require certain communications to be made to the Audit Committee on an annual basis. She confirmed the organizational independence of the Internal Audit Department; the Department's conformance with the Global Internal Audit standards; and spoke to the purpose, authority, and responsibility of the Department. Ms. Flinton stated that each of the internal audit team members completes an independence and objectivity statement and affirms to the best of their knowledge whether they are aware of any potential threats that might impair independence and objectivity and acknowledges that they are required to report any future impairments if any they occur. She noted that there have been no impairments reported to date.

Ms. Flinton explained that the purpose, authority and responsibility of the Internal Audit Department is reflected in the Internal Audit Department charter. She summarized that the purpose of the department is to provide independent, risk-based, and objective assurance, advice, insight, and foresight to add value and improve DASNY's operations, and to comply with the provisions of the Public Authorities Law, which provides that the internal audit function shall evaluate the Authority's internal controls and operations, identify internal control weaknesses that have not been corrected and make recommendations to correct those weaknesses.

Ms. Flinton recognized the work of the five-member Internal Audit Team and stated that they have nearly 32 years of combined DASNY service. Committee Chair Sullivan thanked Ms. Flinton and the Team for their efforts to improve the DASNY organization and services. She commended Ms.

Flinton for her accessibility and professionalism. In response to a question from Ms. Snyder, Ms. Flinton stated that the Department is fully staffed, and that Management has consistently provided the funds necessary to retain outside IT professionals as needed to complement the Department.

She reported that the Internal Audit Department has completed several audits this year, and that several are underway. Ms. Flinton stated that she expects the Audit Plan to be completed as approved. She further stated that over the past year, the average cycle time has been reduced by approximately two weeks, a 14% improvement. She reported that as part of the required Quality Assurance and Improvement Program, an internal assessment of the Internal Audit function was undertaken in conformance with the Global Institute of Audit Standards, and no significant concerns were noted. Ms. Flinton stated that additional highlights from the Assessment are included in the Committee materials.

Ms. Flinton informed the members that the Internal Audit Department has completed 10 audits this year; 5 audits are currently in various stages of fieldwork and reporting, and 6 audits are scheduled to begin later this year and early next year, including IT and Grants. She will be requesting an update to the Internal Audit plan for the remainder of the fiscal year. Ms. Flinton explained that as part of the Internal Audit Department's ongoing commitment to align its work with DASNY's strategic objectives, address emerging risks, and respond to management requests, the Plan is periodically reassessed. She noted that such a change is now being requested.

### **EXECUTIVE SESSION**

Mr. Syverud moved that the Committee Members go into Executive Session to discuss the financial and credit history of a particular corporation, current or pending litigation, and matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. Ms. Snyder seconded the motion and the Members went into Executive Session.

### **PUBLIC SESSION**

Ms. Sullivan stated that no action was taken in Executive Session, other than to return to the Public Session.

Mr. Syverud moved to approve a proposed change to the Audit Plan; Ms. Snyder seconded the motion, and the Members unanimously approved the change.

Ms. Snyder moved adjournment of the meeting, Mr. Syverud seconded the motion and the Meeting was adjourned at approximately 11:05 a.m.

Respectfully submitted,

Sara P. Richards  
Assistant Secretary