

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 9:30 a.m. Wednesday, July 8, 2026.

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)
Christina Coughlin, Committee Member – Chair Designated as a third member of the Audit Committee / Designated Representative of the Commissioner of Education, Board Member (*ex officio*) – (Albany)

Other Board Members Present

Lisa Gomez, Board Chair (NYCO)
Gerard Ronski, Board Vice Chair (NYCO)
Joan Sullivan, Board Member (Albany)
Thehbia Hiwot, Board Member (NYCO)
Janice McKinnie, Board Member (Buffalo)
Walter Oden, Board Member (NYCO)
Elizabeth Velez, Board Member (NYCO)
Ken Evans, Designated Representative of the Commissioner of Health, Board Member (*ex officio*) – (Albany)
Adrian Swierczewski, Designated Representative of the Director of Budget, Board Member (*ex officio*) – (Albany)

KPMG Auditors

Jake Day, Lead Engagement Manager, Audit (Albany)
Jeff Koch, Managing Director, Audit (Albany)

Senior and Presenting Staff Members

Robert J. Rodriguez, President/CEO
Charlie Williams, Vice President
Layla Bahbahani, 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
Matthew Bergin, Director, Public Finance
Craig Schreivogl, Director, Portfolio Monitoring
Juan Reyes-Alvarez, Financial Analyst
Kara Mallard, Director, Procurement
Justin McLaughlin-Williams, Director, Opportunity Programs
Dianne Topple, Assistant Director, Accounting

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 April 15, 2026

Audit Committee Chair Sullivan reported that Chair Gomez designated Ms. Christina Coughlin as the newest member of the Audit Committee and the Chair concurred. A quorum was declared present. The minutes from the April 15, 2026 Audit Committee meeting were unanimously approved.

Basic Financial Statements

Ms. Ellis summarized this year's audit results. She stated that KPMG expects to issue unmodified opinions on DASNY's financials, the supplementary information included with the financials, and DASNY's compliance with the State Comptroller's investment guidelines and DASNY's investment policy and guidelines. Ms. Ellis informed the Committee Members that KPMG did not identify any significant deficiencies or material weaknesses in DASNY's internal controls and therefore, no management letter will be issued. Ms. Ellis welcomed Jeffrey Koch, KPMG Audit Managing Director, and Jake Day, KPMG Lead Engagement Manager from the KPMG Team and asked them to present the audit results.

Mr. Koch confirmed that KPMG expects to issue an unmodified opinion, which is a clean opinion and the highest rated opinion that can be issued. He noted that there were no significant deficiencies or material weaknesses identified. Mr. Koch reported that there was one uncorrected misstatement related to Management's non-GAAP policy for accruing payables subsequent to year-end. He explained that this is the result of the timing of the end of the applicable time period and is considered immaterial both individually and in the aggregate, to the basic financial statements taken as a whole.

Mr. Koch stated that KPMG will also issue an unmodified opinion over internal controls over financial reporting and compliance with other matters based upon the audit of the financial statements performed in accordance with GAAP (the "yellow book report"); required supplementary information; and a report regarding DASNY's compliance with section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York.

He informed the Committee Members that no significant deficiencies or material weaknesses were found in these areas.

Mr. Koch directed the Committee Members' attention to the Board Materials, which introduces the KPMG audit team as well as the MWBE partners from Team Avaloria and Long Island Financial Management Services. He stated that KPMG provides training to the MWBE firms to provide appropriate and relevant experience. Mr. Koch further stated that both firms are fully integrated into the overall engagement team and provided approximately 40% of the overall total audit effort this year including work in cash, debt, investments, loans, receivables, and other areas.

Mr. Day summarized the audit results relating to required communications and other matters. He stated that there are no matters of concern in this area, which would include items such as any actual or suspected fraud or other illegal acts involving management, disagreements with management or other difficulties encountered during the course of the audit. Mr. Day confirmed that KPMG is an independent accounting firm with respect to DASNY under all relevant professional and regulatory standards, and that all required inquiries have been performed to date and there are no matters to report.

Mr. Day thanked DASNY's Internal Audit Team for their assistance with the Annual Audit. He explained that they assist in various areas of testing each year, including financing income, and investment compliance. He noted that they provide a great deal of assistance to the auditors.

Mr. Day informed the Committee Members that deliverables from KPMG include the unmodified opinion, the report on the basic financial statements, the report on internal controls, and the report on investment compliance. He stated that the auditors will continue to finalize and issue reports on the remaining 6 individual financial statements.

Mr. Day explained that the uncorrected audit misstatement is related to DASNY's long-standing policy on the accrual of payables subsequent to year-end. He stated that the misstatement this year was approximately \$38 million and, while not material to the financial statements, it is above the threshold that requires reporting to the Board.

Mr. Day informed the Members that KPMG did not identify any transactions that appeared to be lacking in substance or that are inconsistent with relevant accounting standards. He stated that KPMG always identifies the significant audit risk of management override of controls for all entities it audits, including DASNY. Mr. Day emphasized that this is due solely to the nature of Management's position as the preparer of the financial statements and financial information, and is not a DASNY specific item. Mr. Day stated that the auditors performed a number of procedures, including the examination of manual journal entries and the assessment of significant accounting estimates, to ensure that there are no indications of management bias. He informed the Committee Member that all entries appear to be reasonably stated.

Mr. Day reported that KPMG identified and assessed OPEB liability and valuation of investments during this year's audit. He stated that KPMG engaged its actuarial specialist to assess the key inputs and assumptions related to the OPEB liability as well as undertook an independent assessment of expectations for the valuation of DASNY's investment portfolio. He reported that

in the case of both accounting estimates, there were no indicators of management bias nor misstatements related to these areas.

Mr. Day stated that with respect to conduit debt, the auditors sent out independent third-party confirmations and vouched responses to the underlying support/documentation. He informed the members that there were no matters or issues identified in this area, including with the presentation of that third party debt in the relevant footnotes, and that everything appears to be reasonably stated.

Mr. Day reported that no material inconsistencies or material misstatements of facts were identified in KPMG's review of the management discussion and analysis and the required supplementary information. He stated that the review did not identify anything contradictory or inconsistent with the presented materials. Mr. Day encouraged the Members to reach out to KPMG if they have any questions or concerns about any of the matters addressed in the Audit or otherwise.

Financial Statements

Ms. Ellis thanked the KPMG Team. She directed the attention of the Committee Members to the Board Materials and summarized DASNY's financial results over the past year. Ms. Ellis informed the Members that DASNY issued approximately \$11 billion in debt comprised of \$6 billion on behalf of State institutions and \$5 billion in conduit debt borrowings. She stated that DASNY achieved substantial completion on the FIT academic building and SUNY New Paltz's Mohonk Hall renovation, both of which were delivered to our clients in 2025. Ms. Ellis further stated that DASNY continued work on several major projects including the Western NY Psychiatric Center, the NYS Life Sciences Public Health Laboratory, the Mid-Hudson Forensic Replacement Hospital, and the SUNY Binghamton residence hall. She informed the Committee Members that DASNY also awarded a \$40 million design-build contract for SUNY Cortland's new 200 bed residence hall.

Ms. Ellis reported that DASNY adopted GASB Statement No. 105, Subsequent Events. She explained that this statement establishes uniform standards of evaluation and disclosure of subsequent events and defines the evaluation period from the balance sheet date through the date the financial statements are available to be issued. Ms. Ellis informed the Committee Members that there was no impact on the financial statements, and additional disclosures were made within the notes to the financial statements. Ms. Ellis reported that the Financial Statements reflect a decrease in Net Financial Position of approximately \$70 million, the majority of which is activity in Restricted Funds. She stated that DASNY's operations showed a surplus of \$3.5 million, which reflects a surplus of \$1.7 million on the public side and a \$1.8 million surplus on the private institution side, primarily due to a \$1.5 million surplus for financing and bond administration and a credit or reduced allocation of OPEB expense due to amortization of prior improvements in the discount rates.

Ms. Ellis reported that DASNY issued approximately \$6 billion in debt on behalf of State institutions. She stated that 92% of that amount was from new money and refunding transactions. Ms. Ellis informed the Committee Members that 68% of the issuances were undertaken on behalf of New York State agencies. Ms. Ellis reported that \$2.6 billion in bonds were retired this year,

and of that amount, approximately 13% were the result of defeasances and early redemptions, and 60% were from bonds refunded by new DASNY bonds. She noted that the majority of defeasances and early redemptions were the result of State prepayments at the end of 2025. Ms. Ellis stated that at the end of the year, DASNY had \$67 billion in outstanding bonds, an increase of \$6.5 billion from 2025, while the split between State institution and conduit bonds remained relatively stable at 59% and 41%, respectively.

Ms. Ellis stated that total construction and loan disbursements increased approximately \$3.5 billion in 2026. She reported that certified disbursements increased by \$3.1 billion, primarily with respect to New York State agencies. Ms. Ellis stated that DASNY-Managed project disbursements increased by \$401 million, primarily related to State agencies and the CUNY program. She further stated that DASNY's Statement of Net Position decreased approximately \$70 million in 2026 compared to 2025, primarily due to a decrease in Restricted Net Position related to State prepayments. Ms. Ellis explained that increases of approximately \$3 billion in assets and liabilities were largely driven by the net increase in bonds outstanding, related Loans receivable and Cash and Cash Equivalents. She reported that net investment in capital assets, as restated, decreased \$1 million primarily due to the depreciation of capital assets and amortization of right-to-use lease assets and subscription IT assets.

Ms. Ellis stated that the total investment balance of \$8.5 billion reflects a decrease of approximately \$307 million, primarily due to increased holdings in money market mutual funds. She stated that money market funds increased \$1.5 billion over the prior year, largely due to the receipt of monies from the State for the prepayment of debt service. Ms. Ellis stated that DASNY's total investment portfolio has increased to approximately \$10.4 billion.

Ms. Ellis directed the Members' attention to the Board materials for the supplementary information provided with the financials and schedules that break out the Financial Statements by program type and DASNY's operations; DASNY's budget and actual expenses for its operations; and a 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. She further stated that during today's Board Meeting, there will be a Resolution for the Board to approve the adoption of the Basic Financial Statements as of and for the year ended March 31, 2026.

Ms. Ellis thanked her staff for their professionalism, dedication and work on the Annual Audit, especially while learning the new financial system that went live on April 1, 2026. She stated that without the dedication and oversight of her staff, as well as Internal Audit staff, KPMG, Team Avaloria and Long Island Financial Management, today's audit results would not be possible.

Ms. Sullivan thanked Ms. Ellis and her team for their hard work and dedication.

Upon a motion from Ms. Coughlin and a second by Ms. Snyder, the Audit Committee Members decided unanimously to recommend approval of the Basic Financial Statements for the fiscal year ending March 31, 2026, to the full Board.

Annual Investment Report

Ms. Ellis presented the Annual Investment Report, which DASNY is required to file with the Office of the State Comptroller. She explained that the Report includes DASNY's Investment Policy and Guidelines, summaries of investment income earned, and fees paid for the year. Ms. Ellis stated that a copy of DASNY's Financial Statements will also be filed with the report.

Ms. Ellis informed the Committee Members that there were no changes to DASNY's Investment Policy and Guidelines during the year. Ms. Ellis reported that investment income totaled \$397.3 million for the year, \$17.4 million of which was earned from construction funds, with the remaining \$379.9 million earned from all other funds. She stated that an additional \$88.3 million was earned on the investment of conduit debt-related bond and note issue proceeds, along with the reinvestment of existing funds related to conduit debt, which is not reported in the basic financial statements. Ms. Ellis reported that during 2026, DASNY paid approximately \$1.0 million for trustee and custodial services.

Ms. Ellis informed the Members that also included in the Board materials is a list of financial institutions DASNY is authorized to make investments with, the list of institutions with which we made investments during the year, and a list of institutions authorized to serve as trustee and custodians, including any considered for new business during the year. She noted that this is provided in accordance with DASNY's investment policy and guidelines and that no Board action is required in connection with the list.

Upon a motion from Ms. Coughlin and a second from Ms. Snyder, the Audit Committee Members decided unanimously to recommend approval of the Annual Investment Report for the fiscal year ending March 31, 2026, to the full Board.

Public Authorities Accountability Act Annual Report

President Rodriguez directed the Committee Members to the annual Authorities Budget Office Report for the fiscal year ending March 31, 2026, included in the Board materials. He stated that the Report summarizes the activities of DASNY's three primary business lines: public finance, construction services and grants administration. The President informed the Committee Members that DASNY completed 21 bond financings last year valued at approximately \$10.9 billion, comprised of approximately \$7.4 billion for public clients to fund a variety of programs including school districts, Board of Cooperative Education (BOCES) services, sales tax and personal income tax programs; and approximately \$3.4 billion in bonds for our independent private sector clients in both healthcare and higher education, and 4 TELP leasing transactions totaling \$141 million.

President Rodriguez stated that DASNY's current outstanding bond portfolio totals approximately \$66 billion. The President further stated that DASNY's total construction portfolio includes 911 full-service projects valued at \$7.83 billion, including 249 full-service projects valued at greater than \$5 million. He summarized that over the past year, DASNY completed 62 construction projects valued at approximately \$619 million and 8 SUNY summer projects valued at \$79.7 million. President Rodriguez further stated that DASNY also initiated 103 new full-service

construction projects valued at \$591 million and awarded original procurements totaling approximately \$795 million.

President Rodriguez stated that the Grants Administration Unit administered more than 25 different discretionary and competitive grant programs on behalf of the State this year. He reported that DASNY completed more competitive program procurements than ever, including programs to support childcare, as well as the Governor's Unplug and Play initiative, consisting of the NY SWIMS, NY BRICKS, and NY PLAYS programs. The President informed the Committee Members that DASNY completed all processing and reviews for 1,286 grants totaling \$889 million, and of those projects, 1,034 resulted in fully executed grant disbursement agreements valued at over \$440 million. He noted that the grants support capital projects for a variety of grantees including local governments, not-for-profit organizations, and other eligible entities.

President Rodriguez reported that DASNY's projected cumulative MWBE expenditures over the past fiscal year totaled approximately \$252 million. He explained that this number represents approximately 32.85% participation of total contract expenditures, comprised of 22.16% for MBEs and 10.69% for WBEs.

Upon a motion from Ms. Coughlin and a second by Ms. Snyder, the Audit Committee Members decided unanimously to recommend approval of the Public Authorities Accountability Act Annual Report to the full Board.

EXECUTIVE SESSION

Ms. Coughlin moved that the Committee Members go into Executive Session to discuss the financial and credit 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. 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.

Ms. Coughlin moved to adjourn the meeting, Ms. Snyder seconded the motion, and the meeting was adjourned at approximately 10:04 a.m.

Respectfully submitted,

Sara P. Richards
Assistant Secretary