

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
Audit-Finance Committee Meeting Minutes
June 18, 2024

The Audit-Finance Committee of the State of Connecticut Health and Educational Facilities Authority held a meeting via videoconference on Tuesday, June 18, 2024.¹

The videoconference meeting was called to order by Ms. Susan Martin, Committee Chair, at 12:03 p.m. and, upon roll call, those present and absent were as follows:

PRESENT: Susan Martin, Committee Chair
Peter W. Lisi, Board Chair
Michael Angelini
Bettina Bronisz (*Alternate Designee for CT State Treasurer Erick Russell*)

ABSENT: Lawrence Davis
Mark Varholak

ALSO, PRESENT: Jeanette W. Weldon, Executive Director
Denise Aguilera, General Counsel
Rob Blake, Manager of Information Technology & Cybersecurity
Rebecca Hrdlicka, Sr. Administrative Services Assistant
JoAnne Mackewicz, Controller
Michael F. Morris, Managing Director, Client Services
Julia Pollano, Operations Reporting Analyst
Kara Stuart, Manager of Administrative Services
of the Connecticut Health and Educational Facilities Authority

INVITED GUESTS: Katharine Balukas, Senior Manager, BerryDunn
Lindsay Francis, IT Operations Consultant, BerryDunn
Alan Goodwin, Manager, BerryDunn
Kimberly Mooers, Assistant Treasurer, State of Connecticut
Treasurer's Office

¹ All attendees participated in the meeting via conference telephone that permitted all parties to hear each other.

APPROVAL OF MINUTES

Ms. Martin requested a motion to approve the minutes of the February 7, 2024 meeting of the Audit-Finance Committee. Mr. Lisi moved for approval of the minutes, which was seconded by Mr. Angelini.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Peter W. Lisi Susan Martin	None	Bettina Bronisz ²

INTERNAL AUDIT REPORTS

Mr. Bodie introduced Ms. Katharine Balukas, Ms. Lindsay Francis, and Mr. Alan Goodwin of BerryDunn. Ms. Katharine Balukas and Mr. Alan Goodwin gave a presentation on the fourth quarter of 2024 internal audit results, which included an overview on the following topics:

- Areas in Scope
 - Human Resources and Payroll
 - Information Technology
- Summary of Risk Ratings for Recommendations
- Recommendations
- Internal Control Ratings
- Next Steps
 - Quarter 1: Public-Bond Offerings and Bond Documents/Legal Review
 - Quarter 2: Accounting Functions and Risk Assessment

The floor was opened to questions, and a discussion ensued regarding network change approvals, privileged access management (PAM) system, and the proactivity within the IT Department to tackle the outstanding recommendations.

Ms. Balukas, Ms. Francis, and Mr. Goodwin left the videoconference meeting at 12:31 p.m.

² Ms. Bronisz abstained from voting as she did not attend the Audit-Finance Committee Meeting held on February 7, 2024.

REVIEW OF FY 2025 PROPOSED OPERATING AND CAPITAL BUDGET

Mr. Bodie presented the FY 2025 proposed operating budget which includes operating revenues of \$8.19 million, operating expenses of \$4.658 million and non-operating expenses of \$1.1 million, resulting in an increase in net position of \$2.4 million. Mr. Bodie then provided an in-depth breakdown of the related factors for each category and comparisons to FY 2024 budgeted and projected actual levels. This breakdown included the following topics:

- Revenues
 - Projected new bond issuances, containing administrative and issuance fees
 - General and administrative support services
 - Revolving Loan interest
- Expenses
 - Salaries and employee benefits
 - General and administrative expenses
 - Contracted and maintenance services
- Excess Revenue from Operations
- Non-Operating Income (Expenses)
 - Investment income
 - Program-related expenses (i.e., childcare program and grant program)
- Change in Net Position

During the presentation, the floor was opened to questions and a discussion ensued.

Mr. Bodie concluded with presenting the proposed capital budget totaling \$155,624, which includes the following items:

- Office Furnishings
- AV Equipment and Installation for Board Room
- Autocene Bond Issue Database Development
- Key Card Access for IT Server Room
- CHEFA.com Back-End Infrastructure Improvement
- MultiView/Emphasys
- Contingency

Mr. Lisi requested a motion to approve the FY 2025 proposed operating and capital budgets, as presented. Mr. Angelini moved for approval and Mr. Lisi seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Bettina Bronisz Peter W. Lisi Susan Martin	None	None

OTHER BUSINESS

Mr. Bodie commented on the upcoming request for proposal (RFP) regarding the accounting firm engagement.

ADJOURNMENT

There being no further business, Mr. Lisi moved to adjourn the videoconference meeting and Mr. Angelini seconded the motion.

Upon a voice vote, the “Ayes,” “Nays” and “Abstentions” were as follows:

<u>AYES</u>	<u>NAYS</u>	<u>ABSTENTIONS</u>
Michael Angelini Bettina Bronisz Peter W. Lisi Susan Martin	None	None

The videoconference meeting adjourned at 12:58 p.m.

Respectfully submitted,

Jeanette W. Weldon
Executive Director