

STATE OF CONNECTICUT HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Audit-Finance Committee Meeting Minutes

June 18, 2025

The Audit-Finance Committee of the State of Connecticut Health and Educational Facilities Authority held a meeting via videoconference and in-person on Wednesday, June 18, 2025.

The hybrid meeting was called to order by Ms. Susan Martin, Committee Chair, at 12:09 p.m. and, upon roll call, those present and absent were as follows:

PRESENT: Michael Angelini
Lawrence Davis
Peter W. Lisi, Board Chair
Susan Martin, Committee Chair
Sarah Sanders (*Designee for CT State Treasurer Erick Russell*)¹
Mark Varholak²

ALSO, PRESENT: Jeanette W. Weldon, Executive Director
Denise Aguilera, General Counsel
Rob Blake, Manager of Information Technology & Cybersecurity
Charles Bodie, Managing Director of Finance and Operations
Jessica Carducci, Administrative Services Assistant
Dan Kurowski, Assistant Director
JoAnne Mackewicz, Controller
Michael F. Morris, Managing Director, Client Services
Kara Stuart, Manager of Administrative Services
of the Connecticut Health and Educational Facilities Authority

INVITED GUESTS: Katharine Balukas, Senior Manager, BerryDunn³
Alan Goodwin, Manager, BerryDunn⁴
Omar Jarrar, Senior Consultant, BerryDunn⁵

APPROVAL OF MINUTES

Ms. Martin requested a motion to approve the minutes of the February 19, 2025 Special meeting of the Audit-Finance Committee. Mr. Lisi moved for approval of the minutes, which was seconded by Mr. Angelini.

¹ Ms. Sanders participated in the meeting via teleconference that permitted all parties to hear each other.

² Mr. Varholak participated in the meeting via teleconference that permitted all parties to hear each other.

³ Ms. Balukas participated in the meeting via teleconference that permitted all parties to hear each other.

⁴ Mr. Goodwin participated in the meeting via teleconference that permitted all parties to hear each other.

⁵ Mr. Jarrar participated in the meeting via teleconference that permitted all parties to hear each other.

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

AYES

Michael Angelini
Lawrence Davis
Peter W. Lisi
Susan Martin
Sarah Sanders
Mark Varholak

NAYS

None

ABSTENTIONS

None

INTERNAL AUDIT REPORTS

Mr. Bodie introduced Ms. Katharine Balukas, Mr. Alan Goodwin, and Mr. Omar Jarrar of BerryDunn. Ms. Katharine Balukas and Mr. Alan Goodwin gave a presentation on the FY 2025 fourth quarter internal audit results, which included results on the following areas in scope:

- Capital Assets
- Account Reconciliations
- Internal Reporting
- External Reporting
- Capital Investments Loan Program

Five low or medium risk recommendations were presented in the audit report.

The floor was opened to questions and a brief discussion ensued.

Ms. Balukas, Mr. Goodwin, and Mr. Jarrar left the hybrid meeting at 12:27 p.m.

REVIEW OF FY 2026 PROPOSED OPERATING AND CAPITAL BUDGET

Mr. Bodie presented the FY 2026 proposed operating budget which includes operating revenues of \$8.532 million, operating expenses of \$4.585 million, and non-operating expenses of \$2.353 million, resulting in an increase in net position of \$1.594 million. Mr. Bodie then provided an in-depth breakdown of the components for each category and comparisons to FY 2025 budgeted and projected actual levels. This breakdown included the following topics:

- Revenues
 - Projected new bond issuances, containing administrative fee revenues and issuance fees
 - Subsidiary support services
 - Capital Investments Loan Program (CILP) loan interest revenue

- Expenses
 - Salaries and employee benefits
 - General and administrative expenses
 - Contracted services
- Non-Operating Income (Expenses)
 - Investment income
 - Program-related expenses (i.e., childcare program and grant program)

Mr. Bodie presented the proposed capital budget totaling \$232,891, which includes the following items:

- Core IT infrastructure hardware refresh
- Office furnishings
- Autocene compliance module development
- Key card access for internal closet security
- Contingency

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

Mr. Bodie concluded with an overview of the cash flow for unrestricted investment funds, which includes the Board Designated Fund, CILP Fund, Focused Investment (Grants), and Legal Reserve. Mr. Bodie stated that staff is seeking a \$1.5 million transfer from the Board Designated Fund to the CILP Fund in FY2026.

Ms. Martin requested a motion to approve the FY 2026 proposed operating budget, capital budget, and CILP loan funding 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:

AYES

Michael Angelini
Lawrence Davis
Peter W. Lisi
Susan Martin
Sarah Sanders
Mark Varholak

NAYS

None

ABSTENTIONS

None

DISCUSSION OF INTERNAL AUDITOR RFP

Mr. Bodie reported that the engagement agreement with CHEFA's internal auditor, BerryDunn, concludes in October 2025. The agreement has been in effect for three years and BerryDunn has served as the internal audit consultant for six consecutive years. CHEFA policy requires a Request for Proposal for auditing services every three years.

Mr. Bodie stated that management is seeking approval to delay the internal auditor RFP for one year with a new agreement resuming in October 2026. Mr. Bodie noted the reasoning behind this decision and a discussion ensued.

Ms. Martin requested a motion to delay the internal auditor RFP for one year. 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	None	None
Lawrence Davis		
Peter W. Lisi		
Susan Martin		
Sarah Sanders		
Mark Varholak		

ADJOURNMENT

There being no further business, Mr. Lisi moved to adjourn the hybrid 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	None	None
Lawrence Davis		
Peter W. Lisi		
Susan Martin		
Sarah Sanders		
Mark Varholak		

The hybrid meeting adjourned at 1:16 p.m.

Respectfully submitted,

Jeanette W. Weldon
Executive Director