

2022

Annual Report

THE DORMITORY AUTHORITY STATE
OF NEW YORK



DASNY

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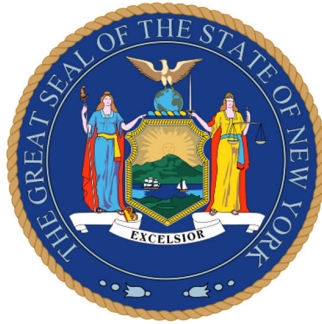
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Kathy Hochul
Governor, State of New York



The Honorable Kathy Hochul
Governor, State of New York

The Honorable Thomas P. DiNapoli
Comptroller
Office of the State Comptroller
State of New York

The Honorable Carl E. Heastie
Speaker
New York State Assembly

The Honorable Andrea Stewart-Cousins
Temporary President and Majority Leader
New York State Senate

The Honorable Robert G. Ort
Minority Conference Leader
New York State Senate

Dear New Yorkers:

Throughout our state, communities grow and thrive thanks to facilities that provide essential public services. For more than 75 years, DASNY has been one of the nation's leading resources for the funding, design, and construction of buildings and institutions of higher education, healthcare, law enforcement, and justice, as well as non-profit providers.

Today, DASNY is a major public construction and financing authority with unique expertise in delivering low-cost, tax-exempt borrowing, and managing large, complex construction projects. Behind thousands of successful DASNY projects is a dedicated team that continues to meet the needs of our population and make our state a model of leadership. These projects create jobs and focus on developing more inclusive, sustainable communities throughout New York.

DASNY's leadership and staff remain tireless in their dedication and service to the people of New York State. I thank everyone at the Authority for their important work to strengthen institutions that serve as anchors within our local municipalities, counties, and the entire state.

Sincerely,


Kathy Hochul
Governor



Reuben R. McDaniel, III
President & CEO, DASNY



Alfonso L. Carney, Jr.
Chair, DASNY

The Honorable William A. Barclay
Minority Leader
New York State Assembly

The Honorable Liz Krueger
Chair, Senate Finance Committee

The Honorable Helene E. Weinstein
Chair
Assembly Ways and Means Committee

The Honorable Thomas F. O'Mara
Ranking Minority Member
Senate Finance Committee

The Honorable Edward P. Ra
Ranking Minority Member
Assembly Ways and Means Committee

Dear Governor Hochul and Distinguished Leaders,

New Yorkers can see the Dormitory Authority of the State of New York (DASNY)'s unique expertise in financing, developing, and building complex projects in every region of New York State. These projects, large and small, help improve the quality of life for countless New York State residents and visitors.

DASNY's contribution to New York is strong. In Fiscal Year 2021-22, DASNY completed 16 bond financings valued at approximately \$9 billion, and managed a portfolio of more than 1,000 construction projects, also totaling approximately \$9 billion.

DASNY's work enables hospitals, universities, and state and local governments to efficiently and cost-effectively meet the needs of taxpayers and the people they serve. These projects strengthen the economy, create jobs, and provide new opportunities for historically disadvantaged populations.

Simply put, DASNY creates opportunities. DASNY remains at the forefront of connecting certified minority- and women-owned business enterprises (MWBES) to State contracting and procurement contracts, regularly achieving levels that greatly exceed New York State goals. MWBE expenditures for FY 2021-22 totaled \$145.3 million, which represents nearly 38% of total contract expenditures for the Fiscal Year.

Additionally, DASNY supports Service-Disabled Veteran-Owned Businesses (SDVOBs) in their efforts to compete successfully in securing contracts in construction, procurement, professional services and others. In FY 2021-22, DASNY spent \$8.3 million with SDVOB contractors, and had 79 active SDVOB firms in its Business Registry.

Above all, DASNY continues to focus on delivering the highest levels of customer service to our public and private clients in every project we deliver. Our efforts span New York State's priorities of creating energy-efficient structures that achieve New York's ambitious energy targets; utilizing alternative project delivery methods that diminish contractual risk for our customers while enhancing project efficiency, including Construction Manager at Risk, and others; and helping to cost-effectively finance the State's important capital projects throughout New York State.

This year, DASNY's focus remains, as always, on helping build a better future for all New Yorkers.

Reuben R. McDaniel, III
President & CEO, DASNY

Alfonso L. Carney, Jr.
Chair, DASNY

2022

CONSTRUCTION HIGHLIGHTS

- **Construction Projects: 1,040 projects**
- **Construction Portfolio: \$9.0 billion**
- **Construction Expenditures: \$505.8 million**
- **New Procurement Activity: \$434.3 million**
- **MWBE Expenditures: \$145.3 million**
- **MWBE Participation: 37.65%**
- **Spend with SDVOB contractors: \$8.3 million**

2022

FINANCE HIGHLIGHTS

- **Bonds Delivered: \$9.0 billion**
- **Largest Public Financing: \$3.1 billion**
- **Largest Private Higher Education Financing: \$250.0 million**
- **Tax-Exempt Leasing Programs (TELP)
Leases: \$99.1 million**
- **Outstanding Bond Portfolio: \$59.6 billion**
- **Capital Grant Programs Administered: 18**

CUNY

CITY UNIVERSITY OF NEW YORK

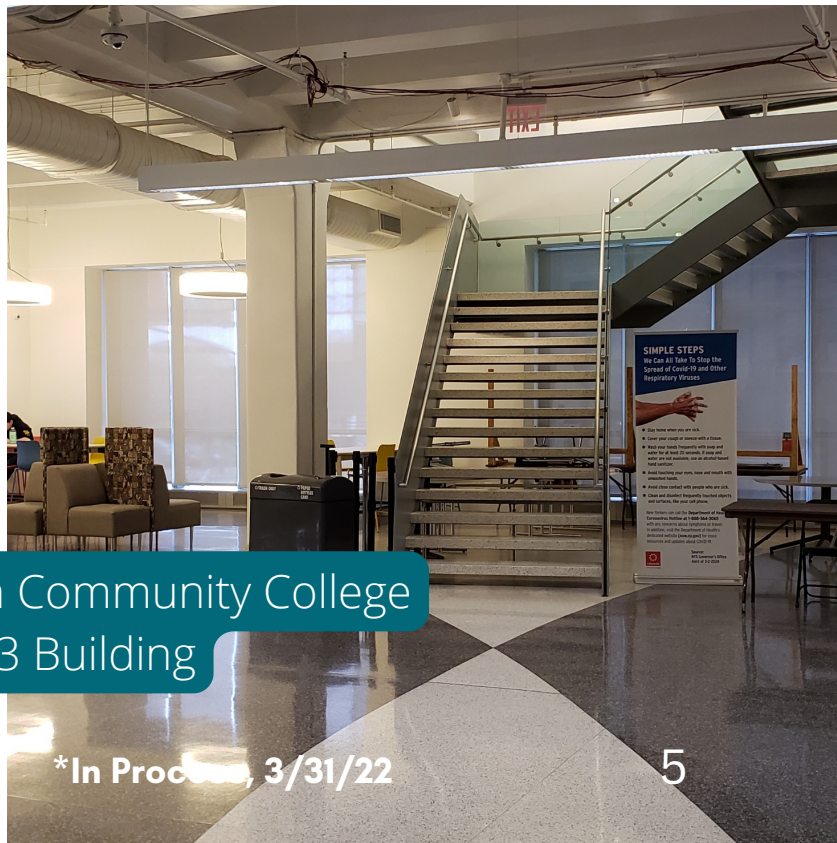
410 projects
valued at
\$2.7 billion*



CUNY | Lehman College
School of Nursing



CUNY | LaGuardia Community College
Center 3 Building



*In Progress, 3/31/22

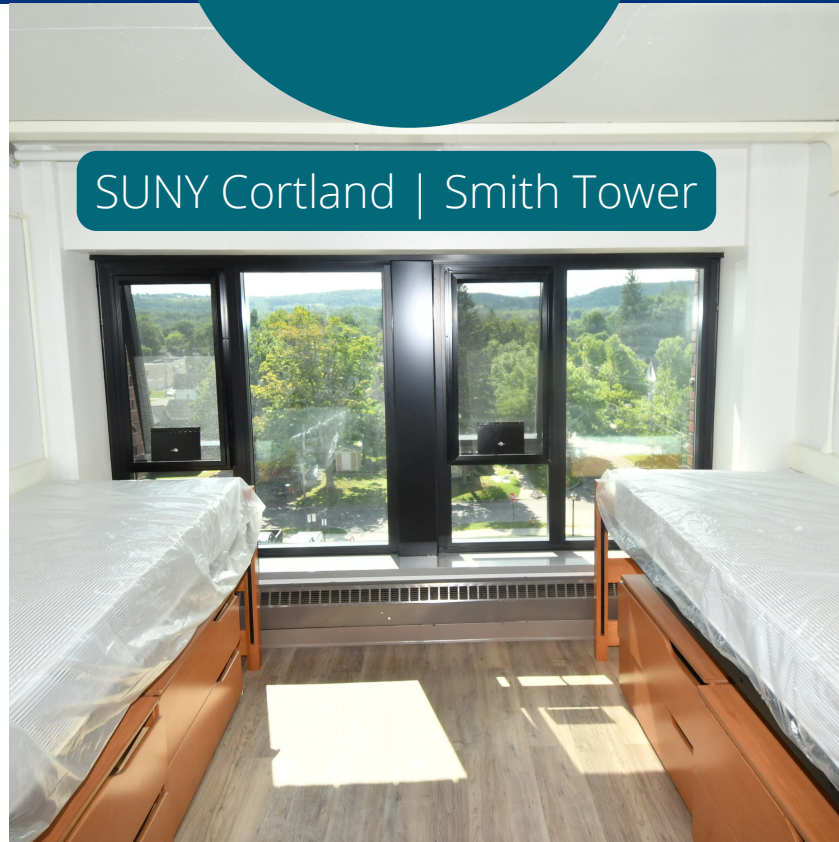
SUNY

STATE UNIVERSITY OF NEW YORK

67 projects
valued at
\$525.9 million*



U. Albany
Health and Counseling
Services Center



SUNY Cortland | Smith Tower



University at Buffalo
Ellicott Masonry Improvements

*In Process, 3/31/22



Alfred State
MacKenzie Hall Phase IIIA

Serving State Agencies

OMH & OPWDD
303 projects
valued at
\$926.2 million*

OMH | Western NY Psychiatric Center

OASAS
75 projects
valued at
\$217.7 million*



OMH | Central NY Psychiatric Center

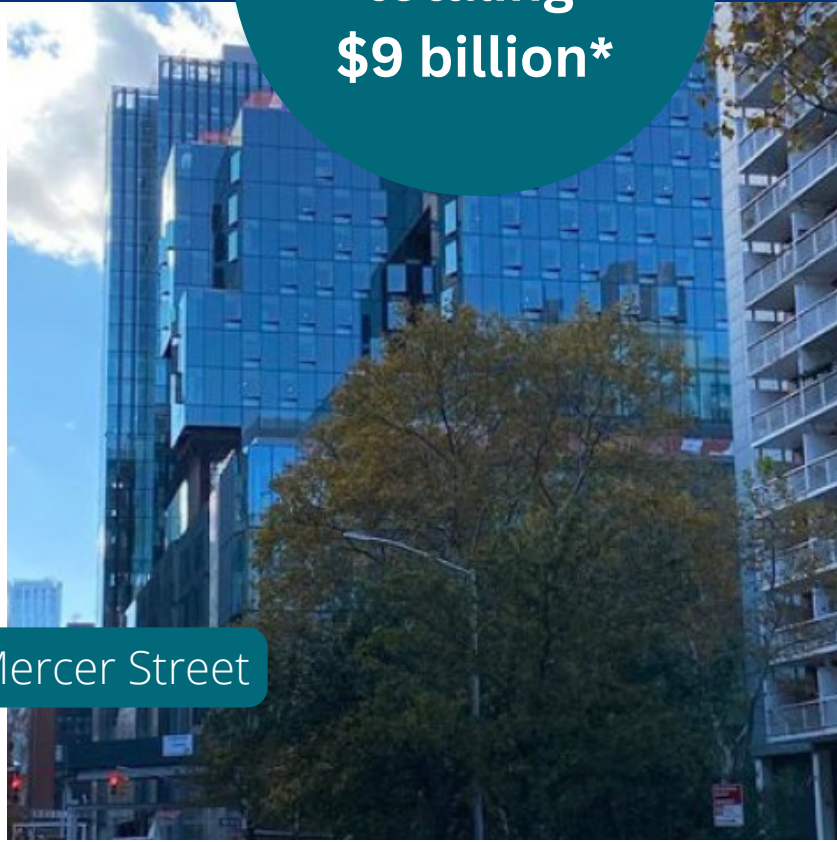
*In Process, 3/31/22

Public Finance

16 bond financings totaling \$9 billion*



NYU | 181 Mercer Street



St. John's University Health Sciences Center

*Completed as of 3/31/22



Diversity & Inclusion

\$1.7 billion in construction expenditures to MWBEs in the last decade

DASNY's Capital Management Plan



DASNY's Capital Management Plan helps minority contractors and service-disabled veteran-owned businesses successfully compete to become prime contractors for DASNY projects.

Supported by a \$10 million investment from the non-profit Local Initiatives Support Corporation (LISC) NYC, this unique program provides contractors with access to capital needed to qualify for surety bonding, and offers support and training to help contractors build capacity to manage larger projects.

"DASNY is committed to helping build New York's economy, and ensuring that the partners and contractors we work with reflect the broad diversity of New York State."

**-Reuben McDaniel III,
President & CEO, DASNY**



A Tribute to

JOHN B. JOHNSON, JR.



The Dormitory Authority of the State of New York expresses our deepest gratitude to John B. Johnson Jr. for more than two decades of service to its Board of Directors and to the people of New York State

DASNY recognizes the Johnson family's remarkable legacy of service on the Board of DASNY. This includes Mr. Johnson's father, John B. Johnson, Sr., and his grandfather, Harold B. Johnson, who was appointed by Governor Dewey as one of the original DASNY Board members in 1944.

GOVERNANCE

DASNY is governed by an 11-member board. Board members include the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her who serves until his or her successor is appointed, the Director of the Budget of the State, one member appointed by the Temporary President of the State Senate, one member appointed by the Speaker of the State Assembly and five members appointed by the Governor, with the advice and consent of the Senate, for terms of three years. The Commissioner of Education of the State, the Commissioner of Health of the State and the Director of the Budget of the State each may appoint a representative to attend and vote at DASNY meetings. The members of DASNY serve without compensation but are entitled to reimbursement of expenses incurred in the performance of their duties.

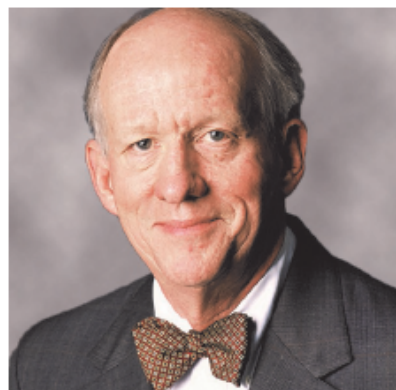
The Governor of the State appoints a Chair from the members appointed by him or her and the members of DASNY annually choose the following officers, of which the first two must be members of DASNY: Vice-Chair, Secretary, Treasurer, Assistant Secretaries and Assistant Treasurers.

BOARD MEMBERS



ALFONSO L. CARNEY, JR., Chair, New York.

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Carney is a principal of Rockwood Partners, LLC, which provides medical consulting services in New York City. He has served as Acting Chief Operating Officer and Corporate Secretary for the Goldman Sachs Foundation in New York where, working with the President of the Foundation, he managed the staff of the Foundation, provided strategic oversight of the administration, communications and legal affairs teams, and developed selected Foundation program initiatives. Mr. Carney has held senior level legal positions with Altria Group Inc., Philip Morris Companies Inc., Philip Morris Management Corporation, Kraft Foods, Inc. and General Foods Corporation. Mr. Carney holds a Bachelor's degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law. His term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.



JOHN B. JOHNSON, JR., Vice-Chair, Watertown.

John B. Johnson, Jr. was reappointed as a Member of DASNY by the Governor on June 19, 2013. Mr. Johnson is Chairman of the Board of the Johnson Newspaper Corporation, which publishes the Watertown Daily Times, Batavia Daily News, Malone Telegram, Catskill Daily Mail, Hudson Register Star, Ogdensburg Journal, Massena-Potsdam Courier Observer, seven weekly newspapers and three shopping newspapers. He holds a Bachelor's degree from Vanderbilt University, and Master's degrees in Journalism and Business Administration from the Columbia University Graduate School of Journalism and Business. Mr. Johnson was awarded an Honorary Doctor of Science degree from Clarkson University. Mr. Johnson's term expired on March 31, 2016 and by law he continues to serve until a successor shall be chosen and qualified.

**Mr. Johnson resigned from the board in June, 2022.*



GERARD ROMSKI, ESQ., Vice-Chair, Mount Kisco.

Gerard Ronski was reappointed as a Member of DASNY by the Temporary President of the State Senate on May 9, 2016. He is Counsel and Project Executive for "Arverne by the Sea," where he is responsible for advancing and overseeing all facets of "Arverne by the Sea," one of New York City's largest mixed-use developments located in Queens, New York. Mr. Ronski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Ronski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

**Mr. Ronski was appointed Vice-Chair in June, 2022.*



BERYL L. SNYDER, J.D., Secretary, New York.

Beryl L. Snyder was reappointed as a Member of DASNY by the Governor on June 19, 2013. Ms. Snyder is a principal in HBJ Investments, LLC, an investment company where her duties include evaluation and analysis of a wide variety of investments in, among other areas: fixed income, equities, alternative investments and early stage companies. She holds a Bachelor of Arts degree in History from Vassar College and a Juris Doctor degree from Rutgers University. Her term expired on August 31, 2016 and by law she continues to serve until a successor shall be chosen and qualified.



WELLINGTON Z. CHEN, Queens.

Wellington Z. Chen was appointed as a Member of DASNY by the Governor on June 20, 2018. Mr. Chen is the Executive Director of the Chinatown Partnership Development Corporation. In this capacity, he leads the Chinatown Partnership in implementing initiatives in infrastructure, post 9/11 rebuilding and public space improvements in a comprehensive effort to improve the environmental and the business conditions. He is a graduate of the School of Architecture and Environmental Studies at The City College of New York. Mr. Chen's term expired on March 31, 2020 and by law he continues to serve until a successor shall be chosen and qualified.



JONATHAN H. GARDNER, ESQ., Buffalo.

Jonathan H. Gardner was appointed as a Member of DASNY by the Governor on June 17, 2014. Mr. Gardner is a partner of the law firm Kavinoky Cook, LLP in Buffalo, New York. His practice areas include corporate and securities law, commercial transactions, private placements, venture capital financing and business combinations representing private and public companies. Mr. Gardner is also an adjunct professor at the University of Buffalo Law School. He holds a Bachelor of Arts degree from Brown University and a Juris Doctor degree from the University of Chicago Law School. Mr. Gardner's term expired on March 31, 2015 and by law he continues to serve until a successor shall be chosen and qualified.



LISA GOMEZ, Pelham.

Lisa Gomez was appointed as a Member of DASNY by the Governor on June 2, 2022. Ms. Gomez is CEO of L+M Development Partners, LLC (L+M). She previously served as Chief Operating Officer. L+M develops, builds and manages affordable housing with local agencies such as the New York City Department of Housing Preservation and Development and the New York City Housing Authority. Prior to joining L+M, Ms. Gomez held positions in the Bloomberg and Dinkins Administrations as well as with JP Morgan Chase & Co. and Silverstein Properties. Ms. Gomez has a BA from Louisiana State University.



JANICE MCKINNIE, Buffalo.

Janice McKinnie was appointed as a Member of DASNY by the Speaker of the Assembly on June 12, 2020. Ms. McKinnie is the Executive Director of True Community Development Corporation where she has led various housing rehabilitation and development projects and has formed strategic alliances with local and regional community groups to promote affordable housing and economic growth within the area of Buffalo. She is also the owner of Developments By JEM, LLC, a construction and project development consulting firm and a NYS certified M/WBE business. Ms. McKinnie is a graduate of the State University College of Buffalo and holds a Master's degree in organizational leadership from Medaille College.



JOAN M. SULLIVAN, Slingerlands

Joan M. Sullivan was appointed as a Member of DASNY by the New York State Comptroller on March 26, 2019. Ms. Sullivan is President of On Wavelength Consulting LLC, a firm that assists governmental entities with development of public procurements and private companies with the preparation of effective responses to government solicitations. She possesses over 40 years of experience working in and for the government of New York State, including an expansive career at the NYS Office of State Comptroller where she last served as Executive Deputy Comptroller before accepting an appointment as Executive Director of The NYS Forum, Inc. Ms. Sullivan holds a Bachelor of Arts degree in Business Administration (Accounting) from Siena College.



MARY T. BASSETT, MD, MPH *Commissioner of Health of the State of New York; ex-officio, Albany*

Mary T. Bassett, MD, MPH., was appointed Commissioner of Health on December 1, 2021. She previously served as Director of the François-Xavier Bagnoud (FXB) Center for Health and Human Rights at Harvard University and FXB Professor of the Practice of Health and Human Rights in the department of Social and Behavioral Sciences at the Harvard T.H. Chan School of Public Health. Prior to that, she served as Commissioner of the New York City Department of Health and Mental Hygiene, Director for the Doris Duke Charitable Foundation's African Health Initiative and Child Well-Being Prevention Program; and as Deputy Commissioner of Health Promotion and Disease Prevention at the New York City Department of Health and Mental Hygiene. Early in her career, Dr. Bassett served on the medical faculty at the University of Zimbabwe and went on to serve as Associate Director of Health Equity at the Rockefeller Foundation's Southern Africa Office. After returning to the United States, she served on the faculty of Columbia University, including as Associate Professor of Clinical Epidemiology in the Mailman School of Public Health. Dr. Bassett received a B.A. in History and Science from Harvard University, an M.D. from Columbia University's College of Physicians and Surgeons, and an M.P.H. from the University of Washington.

- Kenneth Evans is the designated representative for the Department of Health.



ROBERT F. MUJICA, JR., *Budget Director of the State of New York; ex-officio, Albany*

Robert F. Mujica Jr. was appointed Director of the Budget by the Governor and began serving on January 14, 2016. He is responsible for the overall development and management of the State's fiscal policy, including overseeing the preparation of budget recommendations for all State agencies and programs, economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State's debt portfolio. Prior to his appointment, Mr. Mujica was Chief of Staff to the Temporary President and Majority Leader of the Senate and concurrently served as the Secretary to the Senate Finance Committee. For two decades, he advised various elected and other government officials in New York on State budget, fiscal and policy issues. Mr. Mujica received his Bachelor of Arts degree in Sociology from Brooklyn College at the City University of New York. He received his Master's degree in Government Administration from the University of Pennsylvania and holds a Juris Doctor degree from Albany Law School.

- Adrian Swierczewski is the designated representative for the Division of Budget.



DR. BETTY A. ROSA, *Commissioner of Education of the State of New York, Bronx; ex-officio, Albany*

Dr. Betty A. Rosa was appointed by the Board of Regents to serve as Commissioner of Education and President of the University of the State of New York effective February 8, 2021. Previously, Dr. Rosa assumed the role of Interim Commissioner of Education and President of the University of the State of New York from August 14, 2020 through February 7, 2021. Dr. Rosa had served as a member of the Board of Regents and as Chancellor thereof from March 2016 through August 2020. She started her career with the NYC Department of Education as a paraprofessional and later served as a teacher, assistant principal, principal in the Bronx and, upon appointment, assumed the responsibilities of Superintendent of Community School District 8 then Senior Superintendent of the Bronx. Dr. Rosa is a nationally recognized education leader who has over 30 years of instructional and administrative experience with an expertise in inclusive education, cooperative teaching models, student achievement and policy implementation. She received a B.A. in psychology from the City College of New York and an Ed. M. and Ed. D. in Administration, Planning and Social Policy from Harvard University as well as two other Master of Science in Education degrees, one in Administration and Supervision and the other in Bilingual Education from the City College of New York and Lehman College respectively.

- Phyllis Morris is the designated representative for the State Education Department

EXECUTIVE STAFF



REUBEN R. McDANIEL, III is the President and chief executive officer of DASNY, responsible for the overall management of DASNY's administration and operations. Mr. McDaniel possesses more than 30 years of experience in financial services, including public finance, personal wealth management, corporate finance and private equity. During his career in public finance, he participated in more than \$75 billion in tax-exempt bond issuances throughout the country. He has also managed investment portfolios and business assets for a variety of professionals. He previously served as Chair of the Atlanta Board of Education for Public Schools. Mr. McDaniel holds an undergraduate degree in Economics and Mathematics from the University of North Carolina at Charlotte and a Master of Business Administration from the University of Texas at Austin.



PAUL G. KOOPMAN is the Vice President of DASNY and assists the President in the administration and operation of DASNY. Mr. Koopman joined DASNY in 1995 managing the Accounts Payable and Banking and Investment Units followed by management positions in the Construction Division including Managing Senior Director of Construction where he was the primary relationship manager for some of DASNY's largest clients and provided oversight of DASNY's construction administration functions. Most recently, Mr. Koopman served as Managing Director of Executive Initiatives of DASNY where he worked closely with executive staff on policy development, enterprise risk management, and strategic planning. His career in public service began in 1985 with the NYS Division of the Budget, and then continued as Chief Budget Analyst for the New York State Facilities Development Corporation. A graduate of the Rockefeller College of Public Affairs, he holds a Master of Arts degree in Public Administration with a Public Finance concentration, and a Bachelor of Arts degree in Political Science from the State University of New York, University at Albany.



KIMBERLY A. ELLIS was appointed as the Chief Financial Officer and Treasurer of DASNY on September 9, 2020. She is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions, payroll and information services, as well as the development and implementation of financial policies, financial management systems and internal controls for financial reporting. Prior to her appointment to Chief Financial Officer and Treasurer, Ms. Ellis served in numerous senior positions within the Finance Division of DASNY, including as Deputy Chief Financial Officer and Assistant Director of Investments, where she had direct involvement with the management of DASNY's financial operations, including DASNY's overall investment portfolio and the coordination and development of DASNY's annual operating budget and capital plans. Ms. Ellis holds a Bachelor of Science degree in Accounting from the State University of New York at Buffalo.



R. NADINE FONTAINE was appointed to serve as General Counsel and Ethics Officer to DASNY in June 2021. Ms. Fontaine is responsible for all legal services including legislation, litigation, contract matters, and the legal aspects of all DASNY financings. Ms. Fontaine is licensed to practice law in the States of New York and Connecticut, as well as the United States District Courts for the Southern District of New York, the Eastern District of New York, and the District of Connecticut. She has over 25 years of combined legal experience, including multi-district mass tort and product professional liability, commercial litigation in state and federal courts and large-scale electronic discovery matters. Ms. Fontaine most recently served as First Assistant Counsel to the Governor and, prior thereto, served as Assistant Counsel to the Governor for Economic Development, Public Finance & Procurement and Assistant Counsel for Human Services. She holds a Bachelor's degree from the State University of New York at Stony Brook University and a Juris Doctor degree from Pace University School of Law.



PORTIA LEE is the Managing Director of Public Finance and Portfolio Monitoring. She is responsible for supervising and directing DASNY bond issuance in the capital markets, implementing and overseeing financing programs, overseeing DASNY's compliance with continuing disclosure requirements and monitoring the financial condition of existing DASNY clients. Ms. Lee previously served as Senior Investment Officer at the New York State Comptroller's Office where she was responsible for assisting in the administration of the long-term fixed income portfolio of the New York State Common Retirement Fund, as well as the short-term portfolio, and the Securities Lending Program. From 1995 to 2005, Ms. Lee worked at Moody's Investors Service where she most recently served as Vice President and Senior Credit Officer in the Public Finance Housing Group. She holds a Bachelor of Arts degree from the State University of New York at Albany.



STEPHEN D. CURRO is the Managing Director of Construction. Mr. Curro is responsible for DASNY's construction groups, including design, project management, procurement, contract administration, interior design, real property, sustainability and engineering, as well as other technical services. Mr. Curro joined DASNY in 2001 as Director of Technical Services, and most recently served as Director of Construction Support Services. He is a registered Professional Engineer in New York and has worked in the construction industry for more than 30 years. He holds a Bachelor of Science in Civil Engineering from the University of Rhode Island, a Master of Engineering in Structural Engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Rensselaer Polytechnic Institute's Lally School of Management.



CAROLINE V. GRIFFIN is the Chief of Staff of DASNY where she coordinates policy and operations across all of DASNY's business lines. She has served on the Authority's leadership team under two CEOs as chief advisor on every facet of DASNY's operations, and directly manages the Authority's work in communications, marketing, and intergovernmental affairs. Ms. Griffin previously served in leadership roles for three New York State governors, managing and overseeing government operations and intergovernmental affairs, as well as serving as chief liaison for the governor's office with federal, state and local elected officials. She holds a B.A. in Communications from Boston College.

New Construction Projects

Project and Purpose	Amount
New Construction	
City University of New York (CUNY)	
Brooklyn College Replace deteriorated sidewalks campus-wide and on the campus perimeter. (April 2021)	\$2,300,000
City College of New York Upgrading of the existing smoke purge system in Shepard Hall. (May 2021)	\$2,700,000
College of Staten Island Replace the existing cables with new fiber optic runs that connect campus buildings. (November 2021)	\$4,000,000
Eugenio Maria De Hostos Community College Upgrade campus Building Management System controllers and infrastructure. (July 2021)	\$2,000,000
Herbert H. Lehman College Perform emergency HVAC work at the Music Building, Concert Hall and Old Gym. (June 2021)	\$1,000,000
Hunter College Elevator replacement in East Building. (February 2022)	\$1,100,000
John Jay College of Criminal Justice Replace the skylight in Haaren Hall Lobby. (August 2021)	\$1,400,000
New York City College of Technology Façade restoration at the G Building. (March 2022)	\$1,800,000
Queensborough Community College Upgrade of the Building Automation Systems (BAS) in 16 Buildings. (July 2021)	\$2,000,000
Various Senior Colleges Perform required Local Law #37 inspections and design services and perform minor repair work to correct unsafe conditions identified during inspections. (June 2021)	\$1,000,000
York College Replacement of the AC coils in Academic Core and rooftop AHU-1 in the Science Building. (July 2021)	\$1,700,000
York College Install UVC Lighting System on 17 existing Air Handling Units in Academic Core Building. (June 2021)	\$1,500,000
New York State Department of Health (DOH)	
Oxford Veterans Home Water tank replacement. (February 2022)	\$1,900,000
New York State Office of Mental Health (OMH)	
Binghamton Psychiatric Center Renovation of building 49. (December 2021)	\$2,000,000
Binghamton Psychiatric Center Remove the outdated pneumatic controllers and replace them with DOC controllers and sensors. (June 2021)	\$1,700,000

New Construction Projects

Project and Purpose	Amount
Buffalo Psychiatric Center Replacement of HVAC system. (February 2022)	\$8,000,000
Central New York Psychiatric Center Window replacement at Building 5. (February 2022)	\$1,900,000
Central New York Psychiatric Center Removal, replacement, and repair of existing facility roadways. (February 2022)	\$1,600,000
Elmira Psychiatric Center Remove the outdated pneumatic controllers and replace them with DOC controllers and sensors in Building 1. (June 2021)	\$2,100,000
Hutchings Psychiatric Center Replace existing generators with new efficient running generators and replace automatic transfer switches. (December 2021)	\$2,700,000
Hutchings Psychiatric Center Install a second elevator in Treatment Unit 1 and Treatment Unit 8. (February 2022)	\$2,600,000
Hutchings Psychiatric Center Roof replacement at Building 12. (July 2021)	\$2,000,000
Hutchings Psychiatric Center Roof replacement on Building 5. (February 2022)	\$1,800,000
Hutchings Psychiatric Center Rebuild existing transformers to fit existing footprint of the switchgear (December 2021)	\$1,600,000
Kingsborough Psychiatric Center Complete renovation of Building 20. (February 2022)	\$7,300,000
Kingsborough Psychiatric Center Roof replacement at Buildings 24 and 25. (March 2022)	\$3,700,000
Kingsborough Psychiatric Center Removal and replacement of structural concrete floor slab. (March 2022)	\$3,000,000
Kingsborough Psychiatric Center Abatement and floor replacement at Building 25. (March 2022)	\$1,000,000
Mohawk Valley Psychiatric Center Roof replacement at Building 31. (July 2021)	\$3,700,000
Nathan Kline Institute for Psychiatric Residence Construct separate rodent and cage wash areas within the vacated maintenance shop. (June 2021)	\$9,600,000
New York City Children's Center - Brooklyn Replace all aluminum framed storefront entrances at Buildings 1-3. (December 2021)	\$1,800,000
New York City Children's Center - Brooklyn Boiler replacement at Buildings 1 & 2. (December 2021)	\$1,200,000
Rochester Psychiatric Center Demolition of existing roof and installation of a new code compliant roof at Building 45. (July 2021)	\$2,200,000
Rockland Psychiatric Center Install a 2MW generator on high voltage service to supply full load capabilities for Buildings 1, 57-60 and 129. (June 2021)	\$4,400,000

New Construction Projects

Project and Purpose	Amount
Rockland Psychiatric Center Upgrade the BMS system to the long-term outpatient Schmitz Building 732. (June 2021)	\$1,400,000
Sagamore Children's Psychiatric Center Repaint masonry, replace damaged weather stripping, restore damaged doors and replace windows in Building 80. (October 2021)	\$1,400,000
South Beach Psychiatric Center Removal and replacement of flooring systems at Buildings 8 and 9. (February 2021)	\$2,400,000
South Beach Psychiatric Center Roof fall system protection replacement at Building #18. (August 2021)	\$1,000,000
St. Lawrence Psychiatric Center Emergency generator replacement at Buildings 202 and 203. (July 2021)	\$2,400,000
St. Lawrence Psychiatric Center Replace the existing 250-ton chiller, cooling tower and associated pumps with two 160-ton chillers. (December 2021)	\$2,100,000
Western New York Children's Psychiatric Center Demolition and reconstruction of Building 80. (February 2022)	\$4,200,000
Western New York Children's Psychiatric Center Upgrade pool mechanical system and HVAC system in Building 80. (February 2022)	\$1,200,000
State University of New York (SUNY)	
SUNY College of Technology at Delhi Fire alarm system replacement in Murphy and O'Connor Halls. (April 2021)	\$1,100,000
SUNY Cortland Complete renovation of Smith Hall to accommodate apartment style living. (October 2021)	\$15,000,000
SUNY New Paltz Remove the ceiling finish to install a new automated sprinkler and fire protection system. (November 2021)	\$1,600,000
SUNY Oneonta Complete renovation of MacDuff Hall. (January 2022)	\$22,800,000
University at Albany Abatement, ceilings and floor replacements throughout Clinton, Delancey and Morris Halls of Colonial Quad. (November 2021)	\$1,800,000
University at Buffalo Construction of a residential welcome center. (August 2021)	\$3,200,000
University at Buffalo Roof replacement at Spaulding Quad. (May 2021)	\$3,200,000
University at Buffalo Re-coat Ellicott high roof. (March 2022)	\$2,500,000
University at Buffalo Prepare temporary campus offices. (March 2022)	\$2,400,000
University at Buffalo Phase four of the electrical upgrades at Spaulding Hall. (May 2021)	\$2,400,000

New Construction Projects

Project and Purpose	Amount
University at Buffalo Boiler replacement at Ellicott Hall. (March 2022)	\$1,200,000
University at Buffalo Renovation of Spaulding rooms 251 and 252 to complete the 2nd level of Ellicott lounge upgrades. (March 2022)	\$1,000,000
University at Buffalo Window and heater replacement at the Governor's complex. (March 2022)	\$1,000,000

New Modified Construction Projects

Project and Purpose	Amount
Homeless Housing Assistance Corporation (HHAC) Twenty-eight projects for homeless housing located in Bronx, Chautauqua, Chemung, Erie, Kings, Monroe, Nassau, New York, Orange, Rensselaer, Schenectady, Suffolk and Tompkins Counties.	\$1,186,352,505
New York City Housing Authority (NYCHA) Two projects in New York County.	\$750,000,000
Office of Addiction Services and Supports (OASAS) One project in Erie County.	\$2,700,000
State University of New York (SUNY) Six projects in Jefferson, New York, Oneida, Ontario, Sullivan and Westchester Counties.	\$13,227,606

Completed Construction Projects

Project and Purpose	Amount
Completed Construction	
City University of New York (CUNY)	
Borough of Manhattan Community College Repairs to 199 Chambers Street for damage resulting from Hurricane Sandy. (April 2021)	\$2,700,000
Borough of Manhattan Community College Repair of the ramp and plaza pedestals at 199 Chambers Street. (August 2021)	\$12,300,000
Bronx Community College Roof replacement and facade rehab at Rosco Brown Student Center. (April 2021)	\$8,200,000
Brooklyn College Replacement of roof at Whitehead Hall. (November 2021)	\$2,800,000
City College of New York Conversion of the existing lecture hall space to four classrooms at Baskerville Hall and addition of a new hydraulic elevator. (September 2021)	\$8,200,000
College of Staten Island Replacement of original pool air handling unit and ductwork. (May 2021)	\$2,900,000
College of Staten Island Reconstruction of portions of the Central Heating and Cooling System. (October 2021)	\$5,300,000
Fiorello H. LaGuardia Community College Replacement of boiler in M Building. (July 2021)	\$8,700,000
Fiorello H. LaGuardia Community College Replacement of the facade at the Center 3 Building. (March 2022)	\$116,500,000
Hunter College Roof replacement and asbestos abatement at the Hunter North Building. (May 2021)	\$11,600,000
John Jay College of Criminal Justice Renovation of 14 bathrooms at Haaren Hall. (September 2021)	\$7,400,000
Kingsborough Community College Installation of LED lighting in 10 buildings across campus. (July 2021)	\$3,000,000
Medgar Evers College Reconstruction of building site work along Crown Street. (December 2021)	\$5,500,000
New York City College of Technology HVAC upgrades at Voorhees Hall. (April 2021)	\$2,700,000
Queensborough Community College Reconstruction of HVAC system at the Medical Arts Building and Library. (October 2021)	\$18,100,000
York College Phase II of HVAC upgrades at the Science, Academic, and Classroom Buildings. (July 2021)	\$7,000,000
York College Upgrade to the building management system of the academic core central plant systems. (August 2021)	\$14,000,000
York College Campus-wide elevator and escalator upgrades to eight escalators and fourteen elevators. (May 2021)	\$13,700,000

Completed Construction Projects

Project and Purpose	Amount
York College Replacement of roof and repairs to brick façade at the Performing Arts Center. (October 2021)	\$7,000,000
Housing Trust Fund Corp (HTFC)	
Housing Trust Fund Implementation of stormwater protections at the Breezy Point and Roxbury fields, as well as repaving the parking lots. (June 2021)	\$12,100,000
Housing Trust Fund Construction of road raising and modification to roads subject to chronic flooding in the Oakdale and Sayville communities. (December 2021)	\$3,100,000
NYS Department of Environmental Conservation (DEC)	
Warner Dam Miscellaneous maintenance work and tainter gate remediation at the Warner Dam in the City of Jamestown, Chautauqua County. (November 2021)	\$2,900,000
NYS Office of Addiction Services and Supports (OASAS)	
McPike Addiction Treatment Center Replacement of boiler and domestic hot water heater, exterior weatherproofing, masonry repointing, structural repairs at Building 3. (November 2021)	\$1,800,000
NYS Office of Mental Health (OMH)	
Buffalo Psychiatric Center Replacement of the Building Management System Controls at Buildings 1,4,22,37,48,50,51,62,62A, and 707. (March 2022)	\$1,700,000
New York Psychiatric Institute Replacement of the Building Management System Controls at Buildings 4 and 5. (November 2021)	\$1,400,000
Pilgrim Psychiatric Center Upgrade Siemens Energy Management System Controllers at Buildings 81,82,83,85 and 104. (July 2021)	\$1,000,000
NYS Office for People with Developmental Disabilities (OPWDD)	
Hudson Valley (Letchworth) DDSO Replacement of the HVAC Air Handler and Basement Asbestos Removal at Building 148. (March 2022)	\$7,200,000
Hudson Valley (Letchworth) DDSO Drainage Improvements at Buildings 5,7 and 9. (August 2021)	\$1,600,000
Metro New York DDSO Improvements to exterior façade at 107 Payson Ave (H-75) and 109 Payson Ave (H-76). (November 2021)	\$1,500,000
Sunmount DDSO Asbestos Abatement and Replacement of Condensate Piping. (December 2021)	\$1,900,000

Completed Construction Projects

Project and Purpose	Amount
State University of New York (SUNY)	
The College at Brockport Renovation of three existing RD apartments and replacement of roofing on six first floor patios, and replacement of deteriorated structural steel at Bramley Residence, Perry Hall, and Briggs Residence. (January 2022)	\$2,400,000
SUNY Brockport Removal of asbestos flooring and replacement with new carpet tile at Gordon and Harmon Residences. (August 2021)	\$1,300,000
SUNY Geneseo Window replacement at Onondaga Hall. (July 2021)	\$2,000,000
University at Buffalo Renovation of 24 bathrooms at Dewey Hall and Roosevelt Hall. (August 2021)	\$2,900,000

Completed Modified Construction Projects

Project and Purpose	Amount
Homeless Housing Assistance Corporation (HHAC) Eleven projects in Bronx, Cattaraugus, Erie, Monroe, New York, Ontario, Steuben Suffolk and Washington Counties.	\$231,803,088
Office of Addiction Services and Supports (OASAS) Three projects in Monroe and Orleans Counties.	\$11,952,000
New York State Office of Parks, Recreation and Historic Preservation (OPRHP) One project in Ulster County.	\$4,208,142
State University of New York (SUNY) One hundred and nine projects in Broome, Cattaraugus, Cayuga, Chautauqua, Clinton, Columbia, Erie, Franklin, Fulton, Genesee, Herkimer, Jefferson, Monroe, Oneida, Onondaga, Ontario, Orange, Rensselaer, Rockland, Schenectady, Suffolk, Tompkins, Warren and Westchester Counties.	\$144,935,974

Bonds Delivered

Project and Purpose	Amount
Master BOCES Program Lease Refunding Revenue Bonds (St. Lawrence-Lewis Issue), Series 2021 The Series 2021 Bonds were issued to refund Master BOCES Program Lease Revenue Bonds (St. Lawrence-Lewis Issue), Series 2011 (May 19, 2021)	\$3,415,000
St. John's University Revenue Bonds, Series 2021A and Series 2021B (Federally Taxable) The Bonds were issued to refund the University's variable rate Series 2008B-1 and 2008B-2 bonds, terminate an interest rate swap associated with the 2008B-2 bonds, and finance various construction projects, including a new 68,000 square foot Health Sciences Center (May 26, 2021)	163,640,000
EHS Towers LLC - CUNY Student Housing Project Subordinate Revenue Bonds, Series 2021 (Federally Taxable) The bonds were issued to refund and restructure the debt service on the Educational Housing Services - CUNY Student Housing Project Insured Revenue Bonds, Series 2005 due in 2021, 2022, and 2023 (June 17, 2021)	13,080,000
InterAgency Council Pooled Loan Program Revenue Bonds, Series 2021A (Subseries 2021A-1 (Tax-Exempt) and Subseries 2021A-2 (Federally Taxable)) The Series 2021A Bonds were issued to finance, refinance or reimburse a portion of the costs of the acquisition, renovation and furnishing of certain facilities of the seven Series 2021 Participants for the provision of services to people with developmental disabilities or other special needs (June 23, 2021)	28,185,000
Personal Income Tax Revenue Bonds (General Purpose), Series 2021C (Federally Taxable) and Series 2021D (Tax-Exempt) The Series 2021C and Series 2021D Bonds were issued (i) to finance the legal defeasance or payment of all the outstanding Sales Tax Asset Revenue Bonds, Fiscal 2015 Series A, previously issued by The Sales Tax Asset Receivable Corporation (STARC) and (ii) for the purpose of refunding the outstanding (a) Secured Hospital Revenue Refunding Bonds (North General Hospital), Series 2003, and (b) Secured Hospital Revenue Bonds (Interfaith Medical Center), Series 2007, previously issued by DASNY, and (iii) to pay the cost of issuance of the Series 2021 bonds (June 23, 2021)	1,857,785,000
School Districts Revenue Bond Financing Program Revenue Bonds, Series 2021A, B and C The Series 2021A-C Bonds were issued to finance all or a portion of the costs of school district capital facilities and school district capital equipment and to refinance certain bond anticipation notes issued to finance all or a portion of the costs of school district capital facilities and school district capital equipment (2021A and B June 16, 2021), (2021C July 15, 2021)	335,230,000
Long Island University Private Placement Revenue Bonds, Series 2021A (Tax-Exempt) and 2021B (Federally Taxable) The Series 2021A bonds were issued to refund all of the Subseries 2006A-1 and 2006A-2 bonds. The Series 2021B bonds were issued to refund all of the Series 2012 bonds (July 28, 2021)	78,960,000
New York University Revenue Bonds, Series 2021A (Tax-Exempt) and Series 2021B (Federally Taxable) The Bonds were issued to refund one of the University's lines of credit, the proceeds of which were used by the University to current refund a portion of DASNY's New York University Revenue Bonds, Series 2016A as well as to finance various construction projects and to pay the cost of issuance of the Series 2021 bonds (July 29, 2021)	250,000,000
Fordham University Revenue Bonds, Series 2021A (Tax-Exempt) and 2021B (Federally Taxable) The Series 2021A&B Bonds were issued to (i) finance a portion of the costs of capital improvements and deferred maintenance projects, and the acquisition of furnishings and equipment at various University buildings and facilities (ii) refund a portion of the DASNY Fordham University Revenue Bonds, Series 2012 and Series 2016 Bonds, and (iii) to pay certain cost of issuance (October 28, 2021)	67,870,000
Iona College Revenue Bonds, Series 2021A (Tax-Exempt) and Series 2021B (Federally Taxable) The Bonds were issued to (i) to pay the cost of the acquisition of real property in Bronxville, New York in order to establish a Bronxville campus, and to pay related expenses; (ii) refund all of DASNY's outstanding Series 2012A and 2012B Bonds; and (iii) to pay certain costs of issuance. (November 22, 2021)	28,115,000
State University of New York Dormitory Facilities Revenue Bonds, Series 2021A (Federally Taxable), Series 2021B and Series 2021C The Series 2021 Bonds were issued to refund DASNY bonds, including all bonds outstanding under the old SUNY Dorm Program (Series 2012A) and portions of various bonds issued under the current SUNY Dorm Program (Series 2013A, 2015A, 2015B, 2017A, 2018A). (December 2, 2021)	345,617,000



Bonds Delivered

Project and Purpose	Amount
Personal Income Tax Revenue Bonds (General Purpose), Series 2021E (Tax-Exempt) and Series 2021F (Federally Taxable) The Series 2021E and Series 2021F Bonds (the "Series 2021 Bonds") were issued to finance or reimburse all or a portion of the costs of programs and projects throughout the State. The Series 2021 Bonds were also issued to refund all or portions of various series of State-supported debt previously issued by DASNY and any related swap termination payments, as well as to pay the cost of issuance of the Series 2021 bonds. (December 17, 2021)	2,492,460,000
Urban Health Plan, Inc. Private Placement Revenue Bonds, Series 2021A and Series 2021B The Series 2021A and Series 2021B bonds were issued to construct and equip a five-story healthcare facility located on Southern Boulevard in the Bronx, New York. (December 23, 2021)	60,925,000
Oceanside Library Revenue Bonds, Series 2022 The Bonds were issued to (i) finance various improvements/additions and/or alterations to the Library's existing main building, (ii) refund all of DASNY's outstanding Oceanside Library Insured Revenue Bonds, Series 2005, and (iii) pay certain costs of issuance. (March 3, 2022)	30,715,000
Personal Income Tax Revenue Bonds (General Purpose), Series 2022A (Tax-Exempt) and Series 2022B (Federally Taxable) The Series 2022A and Series 2022B Bonds were issued to finance or reimburse all or a portion of the costs of programs and projects throughout the State and to refund all or portions of various series of State-supported debt previously issued by Authorized Issuers, as well as to pay the cost of issuance of the Series 2022 bonds. (March 25, 2022)	3,090,070,000
New School Revenue Bonds, Series 2022A (Tax-Exempt) and Series 2022B (Federally Taxable) The Series 2022 Bonds were issued (i) to finance the costs of the acquisition, renovation, and equipping of a 12-story building located on 15th Street New York, New York, to provide residential living space for the University's students and (ii) refund the outstanding DASNY The New School Revenue Bonds, Series 2011, and (iii) to pay certain costs of issuance. (March 29, 2022)	153,290,000
Total Bonds Issued	<u>\$8,999,357,000</u>



Tax-Exempt Equipment Leasing Program (TELP)

<u>Lease and Purpose</u>	<u>Amount</u>
<u>Tax-Exempt Leasing Program I (Health Care)</u>	
State University of NY University Hospital at Syracuse \$42.5 million lease for emergency, radiology, pathology, engineering, hospital infection, food services, nuclear medicine, pharmacy, operating room, nursing alarm systems and information technology equipment. (June 9, 2021)	\$42,500,000
State University of NY University Hospital at Stony Brook \$48.0 million lease for pharmacy, emergency, information technology and general medical equipment. (August 18, 2021)	\$48,000,000
Total TELP I Leases	<u>\$90,500,000</u>
<u>Tax-Exempt Leasing Program II (Higher Ed/Other Not-for-Profit)</u>	
NYSARC, Inc. \$8.6 million lease for information technology, telecommunications, manufacturing and transportation equipment. (September 30, 2021)	\$8,616,996
Total TELP II Leases	<u>\$8,616,996</u>
Grand Total TELP Leases	<u>\$99,116,996</u>

NGHP Holding Corporation

A Subsidiary of the Dormitory Authority of the State of New York

NGHP Holding Corporation (the “Corporation” or “NGHP”) is a separate public benefit corporation established as a subsidiary by the Dormitory Authority of the State of New York. NGHP has the authority, in accordance with Section 1678 (25) of the Public Authorities Law, to hold title to, dispose of, and perform the functions of an owner of certain real and personal property formerly owned by North General Hospital.

On July 2, 2010, North General Hospital filed a voluntary petition for relief under the United States Bankruptcy Code. On June 22, 2011 the Bankruptcy Court issued an order (the “Confirmation Order”), confirming the Plan of Liquidation.

In accordance with the Plan of Liquidation, on June 30, 2011, the Main Building, the Annex and the Parking Lot were conveyed to NGHP, and NGHP and the New York City Health and Hospitals Corporation (“HHC”) entered into a Lease Agreement, pursuant to which NGHP leased the Main Building to HHC to be renovated by HHC for use as a Long Term Acute Care Hospital (“LTACH”). On the same date, NGHP sold the Parking Lot to HHC for redevelopment as a skilled nursing facility and NGHP sold the Annex to the Institute for Family Health for use as a family practice center. In late December 2012, after the renovation of the Annex was completed, the family practice center was opened for business.

Pursuant to the Plan of Liquidation and the Confirmation Order, a liquidation trustee (the “Liquidation Trustee”) appointed by the Bankruptcy Court liquidated all of the other assets of North General Hospital and settled and paid the remaining claims of creditors, both secured and unsecured. The Liquidation Trustee then filed her final accounting with the Bankruptcy Court and the Bankruptcy case was closed. One of the Liquidation Trustee’s final acts was executing an assignment to DASNY of any receivables due to North General Hospital. DASNY has received, and may receive further, small collection amounts.

NGHP Holding Corporation

A Subsidiary of the Dormitory Authority of the State of New York

Current Activities:

The last annual rental payment made by HHC was received on July 9, 2021 and was for the period July 1, 2019 through June 30, 2020. Following payment of property insurance costs associated with the NGHP property, the remaining rental proceeds were applied toward the final Secured Hospital bondholder payment on August 15, 2021, at the request of Division of Budget (“DOB”). With all Secured Hospital bonds now either matured or refinanced through a State PIT issuance as of mid-2021, future HHC rental payments will first be used to cover costs associated with the NGHP property, while the balance is expected to go to DOB to either reimburse the State for historical payments made to bondholders, or to offset current State financial obligations. Rental payments from HHC are based on the amount equal to all fee-for-service Medicaid capital cost reimbursement it receives from the NYSDOH attributable to the Lease.

Now that the North General Secured Hospital bonds were refinanced through a State PIT issuance and are no longer outstanding, once the final rental payment is made to NGHP by HHC, the Leased Property shall be conveyed to HHC. At that time, the NGHP subsidiary will no longer be necessary and can be dissolved.

Atlantic Avenue Healthcare Property Holding Corporation

A Subsidiary of the Dormitory Authority of the State of New York

Atlantic Avenue Healthcare Property Holding Corporation (“Atlantic Avenue”) is a separate public benefit corporation established as a subsidiary by the Dormitory Authority of the State of New York. Atlantic Avenue has the authority, in accordance with Section 1678(25) of the Public Authorities Law, to hold title to, dispose of, and perform the functions of an owner of certain real and personal property formerly owned by Interfaith Medical Center.

Interfaith Medical Center (“IMC” or Interfaith”) filed a petition under Chapter 11 of the Bankruptcy Code on December 2, 2012. On June 11, 2014, the Bankruptcy Court confirmed a Chapter 11 Plan that became effective on June 19, 2014. The Chapter 11 Plan provided for, among other things, Atlantic to receive title to Interfaith’s real property and a restructured Interfaith (“New IMC”) to operate a hospital at the premises subject to a lease and related agreement with Atlantic Avenue. In the fall of 2020, the final few remaining claims involving the IMC Disbursing Trust were settled and the Interfaith Bankruptcy was officially closed.

Effective January 1, 2021, Interfaith Medical Center and Kingsbrook Jewish Medical Center formally merged into Brookdale Hospital Medical Center. The entity is known as One Brooklyn Health System (“OBHS”). The merger was in furtherance of the OBHS transformation plan for central Brooklyn to create a new, integrated health care delivery system to transform health care and increase access to quality care in Central Brooklyn. Among other things, Brookdale assumed Interfaith’s lease and a note for overdue lease payments owed to Atlantic Avenue.

To fund the ongoing operations following its emergence from Bankruptcy, New IMC has received regular operating assistance from the State. The Health Facility Restructuring Pool loans of New IMC were assumed by Brookdale at the time of the merger and consolidated with other, existing Kingsbrook and Brookdale HFRP loans into a singular HFRP loan. Such loan, along with the Note mentioned above, are now both secured by an all-encompassing OBHS security package that includes various mortgages, guaranties and a system-wide revenue pledge.

OBHS continues to collectively receive annual, extraordinary operating assistance from the State. This subsidy, along with OBHS operations and Federal funding assistance to deal with COVID related expenses and resulting lost revenue due to the COVID pandemic, has otherwise maintained the financial status quo the past year. The hope is that ongoing transformation efforts at OBHS will strengthen the System and reduce the ongoing annual subsidy required from the State.

Atlantic Avenue Healthcare Property Holding Corporation

A Subsidiary of the Dormitory Authority of the State of New York

Current Activities:

Kings County Transformation Grant

On January 31, 2018, OBHS received an award of up to \$664M in capital funding from the Health Care Facility Transformation Program: Kings County Project (Public Health Law section 2825-a), a \$700 million capital grant program included in the enacted 2015-16 State Budget to strengthen and protect continued access to health care services in Kings County communities and create a financially sustainable system of care. OBHS will use the grant funds to develop a 32-site ambulatory care network, make critical clinical and facility infrastructure improvements and create an enterprise-wide Health Technology platform. Over the past year, OBHS continued to progress with its transformation plan using funding from this program.

Vital Brooklyn:

The enacted 2019-20 State Budget included an amendment authorizing Atlantic Avenue Healthcare Property Holding Corporation to transfer four parcels pursuant to a plan to increase access and quality of health care services and preventative care and create affordable housing to transform Central Brooklyn. Such plan is subject to approval of the Commissioner of the New York State Homes and Community Renewal (“HCR”), the Commissioner of Health (“DOH”), and the Director of the Division of the Budget (“DOB”) in accordance with the legislation. This plan is part of the Vital Brooklyn initiative, a comprehensive program intended to break down barriers to health and well-being in an area of Central Brooklyn with measurably higher rates of obesity, diabetes and high blood pressure by improving access to healthy food sources, quality affordable housing, opportunities for physical activity, and high-quality health care and mental health services. The four parcels to be transferred are:

- 483-503 Herkimer Street;
- 1028-1038 Broadway;
- 528 Prospect Place; and
- 1366 East New York Avenue.

The Atlantic Avenue Board approved the transfers of: (1) 483-503 Herkimer Street at the September 9, 2020 Board Meeting, (2) 1028-1038 Broadway at the January 5, 2022 Board Meeting and (3) 1366 East New York Avenue at the August 10, 2022 Board Meeting and all conveyances have since taken place. The remaining parcel (528 Prospect Place) is expected to be transferred in early 2023 and the Atlantic Board will need to approve that transfer.

Appendix

Audited Financial Statements



DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Basic Financial Statements

March 31, 2022

(With Independent Auditors' Report Thereon)



KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

The Board of Directors
Dormitory Authority of the State of New York:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Dormitory Authority of the State of New York (DASNY), a component unit of the State of New York as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise DASNY's basic financial statements for the year then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of DASNY as of March 31, 2022, and the changes in its financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DASNY and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about DASNY's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DASNY's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about DASNY's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability New York State and Local Employees' Retirement System, the schedule of pension contributions New York State and Local Employees' Retirement System, and the schedule of changes in total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022 on our consideration of DASNY's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DASNY's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DASNY's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
June 22, 2022

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Management's Discussion and Analysis

March 31, 2022

(Unaudited)

The following discussion and analysis of the Dormitory Authority of the State of New York's (DASNY) financial performance provides an overview of DASNY's activities as of and for the year ended March 31, 2022. It should be read in conjunction with DASNY's financial statements that follow this section. This discussion and analysis is intended to serve as an introduction to DASNY's basic financial statements, which are comprised of the financial statements and the notes to the financial statements.

Background

DASNY is a public benefit corporation, an independent corporate agency with governmental functions delegated to it by the State of New York (the State), and is authorized to finance, design, construct or rehabilitate buildings for use by various public and private not-for-profit corporations.

DASNY is governed by an eleven-member Board composed of the Director of the Budget of the State, the Commissioner of Education of the State, the Commissioner of Health of the State, the State Comptroller or one member appointed by him or her, five members appointed by the Governor, with the advice and consent of the Senate, one member appointed by the Temporary President of the State Senate, and one member appointed by the Speaker of the State Assembly. All bonds and notes issued by DASNY must also be approved by the New York State Public Authorities Control Board.

DASNY Lines of Business

DASNY's two primary lines of business are debt issuance and construction management, which are supported by DASNY's operating activities. Both lines of business derive the majority of their business from public clients (93% average over the last 5 years), the majority of which comes from our construction management activities (80% average over the last 5 years).

As a part of its operating activities, DASNY also devotes significant efforts to the administration of grants authorized by the State and payable to a variety of public and private grantees from proceeds of bonds issued by DASNY. DASNY has a staff of approximately 475 located in four main offices (Albany, New York City, Rochester and Buffalo) and at approximately 50 field sites across the State. DASNY provides services to various clients within two major categories: private institutions, which generally include clients qualified under Section 501(c)(3) of the Internal Revenue Code (e.g. not-for-profit healthcare clients and independent colleges, universities and other not-for-profit organizations), and public entities, which include the State University of New York (SUNY), the City University of New York (CUNY), New York State (NYS) agencies and municipal facilities. DASNY's clients, both public and private, typically have alternatives to using the debt issuance and construction management services offered by DASNY.

DASNY Operating Activities

DASNY operating revenues primarily result from financing fees related to debt issuances, annual administrative fees related to ongoing bond management, and construction fees related to project management and other construction-related services provided. Generally, private institutions pay a financing fee upon issuance of the bonds and notes and an ongoing annual administrative fee throughout the term of the bonds and notes based on a percentage of either the original par amount or the par amount outstanding, depending on the fee structure in place when the bonds or notes were issued. Other public clients (e.g., CUNY, SUNY, NYS agencies, and court facilities) pay financing and administrative fees in amounts equal to their respective

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Management's Discussion and Analysis

March 31, 2022

(Unaudited)

allocable share of DASNY operating expenses applicable to financing and ongoing bond management activities. Construction fees for public and private clients are generally equal to the allocable amount of DASNY operating expenses attributable to the construction services provided.

Construction Management

DASNY's Construction Management business consists of two levels of service – DASNY-Managed and reimbursement based (Certified Construction).

For DASNY-Managed projects, these services include direct project management as well as ancillary services including design preparation and review, bidding, negotiating, and administering contracts for construction, acquisition of furniture, fixtures and equipment, and on-site project management. DASNY generally provides project management services on the projects that are funded from bonds and notes issued by DASNY on behalf of most of its public clients. DASNY also provides its Construction Management services to certain other public clients, with the cost of such projects funded from amounts provided by the clients. DASNY's statutorily authorized client base continues to grow. At any given time, DASNY actively manages 600-1,000 projects of varying sizes ranging from several thousand dollars to several hundred million dollars.

Certified Construction Disbursements represent disbursements for projects where DASNY does not provide any construction services, but rather, the individual clients manage the construction and DASNY reimburses the clients for expenditures made. This category includes construction disbursements made on behalf of most not-for-profit healthcare, independent colleges, universities, and other not-for-profit organizations, as well as SUNY educational facilities, certain State grant programs, public school districts, Boards of Cooperative Educational Services (BOCES) and Special Act School Districts.

Debt Issuance

DASNY is a conduit debt issuer. Under existing law, and assuming continuing compliance, interest on most bonds and notes issued by DASNY has been determined to be excludable from gross income for federal tax purposes. DASNY issues debt for three purposes, for both its public and private clients:

New money debt – to fund new money projects and grants;

Refunding debt – to refund previously issued DASNY bonds; and

Refinancing debt – to refund or refinance non-DASNY bonds and commercial loans

Debt Issuance activities also include various types of bond retirements:

Scheduled redemptions – bonds retired in accordance with their respective amortization schedules

Refundings – bonds redeemed or defeased through DASNY's issuance of refunding bonds; and

Defeasances and early redemptions – bonds redeemed or defeased with:

1. funds deposited by institutions of which some amounts have been funded through the issuance of debt by other issuers or financial institutions;

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2. proceeds from the sale of buildings or property, securing the related bonds; or
3. existing assets in bond accounts.

As a means to lower borrowing costs for New York City (the City) and to cost effectively support their strategy to diversify their debt portfolio with a combination of fixed and variable rate debt and more closely match their assets and liabilities, DASNY enters into interest rate swap agreements at various times. DASNY's swaps are undertaken as a part of the City's overall debt management programs. DASNY is only obligated to make swap payments from monies paid to it by the City pursuant to lease and financing agreements related to the City-supported bonds. More detailed information regarding DASNY's interest rate exchange agreements, including their requirements and risks, are presented in notes 7 and 8 to the basic financial statements.

All of DASNY's outstanding bonds and notes are special obligations payable solely from payments required to be made by or for the account of the client for which the particular special obligations were issued. Such payments are pledged or assigned to the trustees for the holders of the respective special obligations. DASNY has no obligation to pay its special obligations other than from such payments. In addition, certain bond and note issues are also secured by other forms of credit enhancement, including municipal bond insurance and bank letters of credit. DASNY monitors the ratings of credit enhancers and takes appropriate actions as required under the provisions of the related bond documents. More detailed information regarding events of default, termination events and subjective acceleration clauses are presented in note 7 to the basic financial statements. DASNY also works closely with its clients to identify and implement strategies, including refunding bonds, converting interest rate modes, and adding or substituting liquidity facilities, to mitigate the effects of market changes as well as downgrades to credit enhancer ratings. See note 7 to the basic financial statements for a further discussion of bonds and notes outstanding.

Executive Summary

At DASNY, we are continuously evolving to meet the needs of our clients and support New York State's initiatives to make New York State a better place to live, work and learn. During the 2022 fiscal year, DASNY continued to work with the State and other clients to address the financial impact of the COVID-19 Coronavirus Pandemic. The State enacted legislation once again authorizing DASNY to (1) issue revenue anticipation notes and bond anticipation notes under the Personal Income Tax program and (2) negotiate on behalf of the State and enter into line of credit facilities with financial institutions. Both measures were enacted to provide working capital to enable the State to continue meeting its fiscal management needs during the fiscal year in response to projected cashflow shortfalls. As tax collections were significantly better than projected and the State received federal funding, the State did not make use of either facility during the fiscal year.

Disruptions in the economy over the course of the pandemic have led to record high inflation in 2021. Interest rates had been at historical lows since the beginning of the pandemic, resulting in significant decreases in income on investments DASNY recorded in 2021 and 2022 from historical levels. As the Fed looked to taper inflation and institute measures to ease the overall demand in goods and services, they moved to raise interest rates for the first time since 2018 with a 25 basis points increase in March 2022 and signaled an additional six rate hikes for the remainder of 2022. This policy shift led to volatility in the markets, with interest rates on government securities rising rapidly in March 2022. Higher interest rates on fixed income securities equates to

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lower prices for the underlying securities. As a result of lower prices, DASNY's investment portfolio had a significant write down in market value due to higher prices at the time of the original purchase.

DASNY continued expanding its construction services line of business in support of several important New York State initiatives.

DASNY continued its work on the Fashion Institute of Technology (FIT) new academic building. Phase I foundation work progressed during 2021 and completed in January 2022. Phase II has begun with structural steel framing advancing with building enclosure envisioned by the end of 2022 and project completion projected for December 2023.

DASNY continued work on the Lehman College – School of Nursing project, foundation work progressed during 2021, structural steel framing completed with steel topping off in the Spring 2022.

During 2022 the Javits Convention Center Expansion Project received a Temporary Approval for Occupancy (TAO) for the North Building addition and has since received a TAO for the Merged Condition project consisting of the North Building, Transformer Building and South Building upgrades. Events are now occurring throughout the Convention Center.

DASNY's debt issuance activities had another strong year, issuing approximately \$9 billion in debt. Total outstanding bonds and notes balance was approximately \$60 billion as of March 31, 2022.

From a reporting perspective, DASNY adopted GASB (defined below) Statement No. 93, *Replacement of Interbank Offered Rates*. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The pronouncement seeks to address the accounting and financial reporting effects that result from the replacement of interbank offered rates. GASB issued Statement No. 99 Omnibus (GASB Statement No. 99) in April 2022 which in paragraph 26 extended the period during which LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. To address the difference in the timing of the cessation of individual tenors and any future extensions, the cutoff point for certain LIBOR tenors will be when LIBOR ceases to be determined using the methodology in place as of December 31, 2021. There was no impact on the financial statements as a result of adopting GASB Statement No. 93 and paragraph 26 of GASB Statement No. 99.

Overview of Basic Financial Statements

DASNY is considered a special-purpose government entity engaged in business-type activities and follows financial reporting for enterprise funds. The basic financial statements provide information about DASNY's overall financial condition. The notes provide explanations and more details about the content of the basic financial statements.

DASNY has elected the option under Governmental Accounting Standards Board (GASB) Interpretation No. 2, *Disclosure of Conduit Debt Obligations*, to report conduit debt in its basic financial statements. Pursuant to this election, DASNY's basic financial statements are a compilation of approximately 2,000 separate self-balancing

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accounts related to both the individual series of outstanding bonds and notes and the individual operating accounts for nonbonded projects, various special purposes and operations. DASNY does not commingle cash and investments.

As a result of the inclusion of conduit debt, the majority of the activity reflected in the financial statements does not reflect DASNY's own financial position or health. Rather, the vast majority of activity reflected in the basic financial statements relates to:

1. monies held in the restricted accounts associated with the issuance of bonds and notes;
2. the collection of monies in accordance with the provisions of the underlying loan or financing agreements;
3. the payments to the holders of the bonds and notes in accordance with the provisions of the underlying bond and note resolutions; and
4. disbursements for construction and other loan activity.

This report consists of four parts: management's discussion and analysis, financial statements, the notes to the financial statements, and required supplementary information. The three financial statements presented are as follows:

- **Statement of Net Position** – This statement presents information reflecting DASNY's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the amount of total assets and deferred outflows of resources less liabilities and deferred inflows of resources and is one way to measure DASNY's financial position. Net position is comprised of Unrestricted Net Position, related to DASNY's operating activities, Restricted Net Position, related to monies held in the restricted bond and note accounts, and Net Investment in Capital Assets, primarily related to its Albany headquarters building. Restricted Net Position remains in the accounts of each of the individual bond or note issues and accrues to the benefit of the respective client institutions. At final maturity, the restricted net position of an individual bond or note issue will be zero (\$0).
- **Statement of Revenues, Expenses, and Changes in Net Position** – This statement reflects DASNY's operating and nonoperating revenues and expenses for each year. The majority of DASNY's revenue and expense activity does not relate to operations; rather it relates to activity in the restricted accounts of the individual series of bonds and notes. In some years, revenues exceed expenses in restricted bond and note accounts. In other years, expenses exceed revenues in restricted bond and note accounts as accumulated revenues are utilized for various purposes. Restricted Net Position remains in each of the individual bond or note issues and accrues to the benefit of the respective client institutions.
- **Statement of Cash Flows** – The statement of cash flows is presented using the direct method of reporting which reflects cash flows from operating, noncapital financing, capital financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year. The statement also includes a reconciliation between operating gain or loss per the Statement of Revenues, Expenses, and Changes in Net Position to net cash from operating activities per the Statement of Cash Flows.

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Discussion of DASNY Lines of Business Activities

DASNY Operating Activities

DASNY's internal operating expenses totaled approximately \$85 million during 2022 and 2021, of which 6% and 7%, respectively, were allocable to private institutions, while 94% and 93% were allocable to public programs.

DASNY's personal service expenses totaled approximately \$77 million during 2022 and 2021, of which 83% and 81%, respectively, were associated with Construction Management activities.

Debt Issuance Activities

Bonds and Notes Issued

As the charts on the following page illustrate, DASNY's Debt Issuance activity includes new money, refundings and refinancings with approximately 90% of the activity coming from public clients. During 2022, the par value of bonds issued decreased approximately \$1.6 billion due to decreases in new money issuances, partially offset by increases in refunding and refinancing issuances. The decrease in new money was the result of a high level of issuance activity in 2021 on behalf of the State in connection with short-term note financing for working capital needs related to the COVID-19 pandemic. Those short-term working capital needs were not needed in 2022. The charts on the following page provide additional detail regarding the three types of issuances by client type.

The decrease in new money issuances offset by increases in refunding and refinancing issuances from public in conjunction with issuances for private clients remaining largely unchanged from the prior year, drove a shift in the public-to-private proportion, with the public share decreasing slightly from 93% in 2021 to 90% in 2022.

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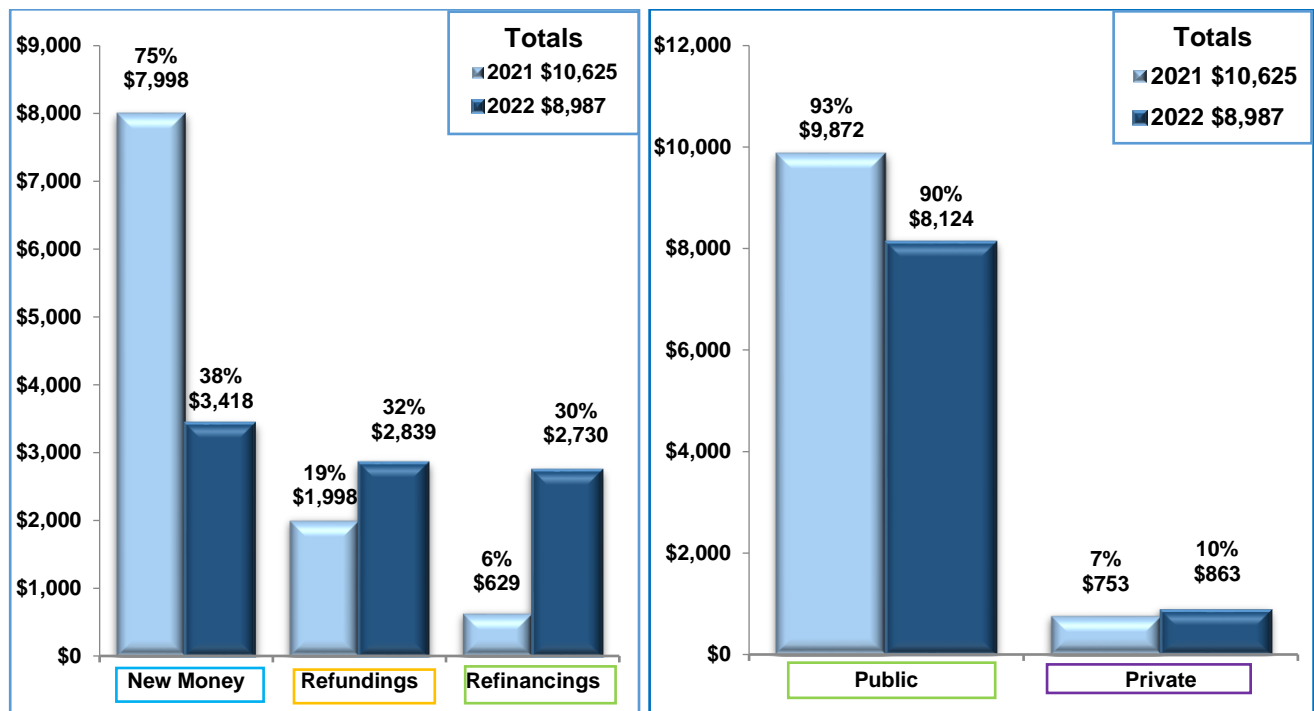
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Par Amount of Bonds and Notes Issued (\$in millions)

These amounts vary from the amounts reflected in Proceeds from Issuance of Bonds and Notes on the Statement of Cash Flows due to the inclusion of the net premium received on the bonds and notes issued in the Statement of Cash Flows.



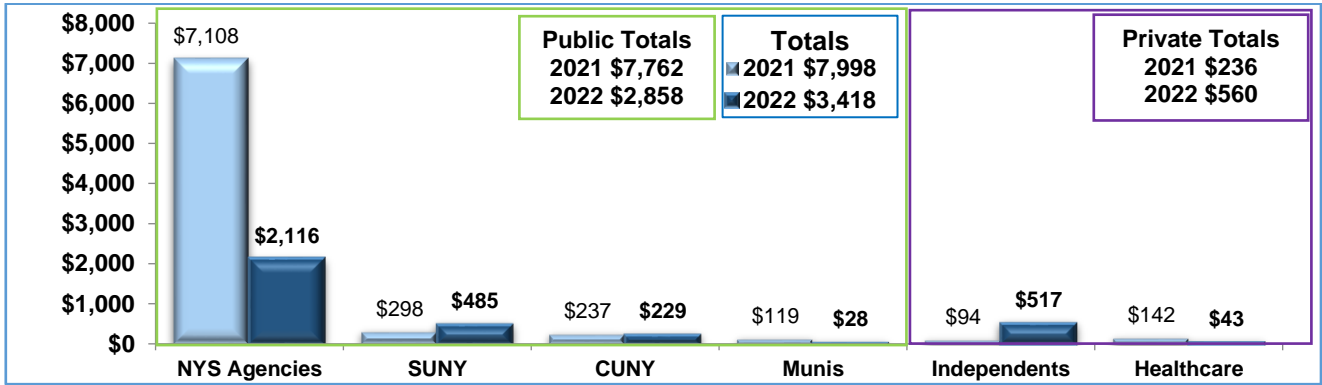
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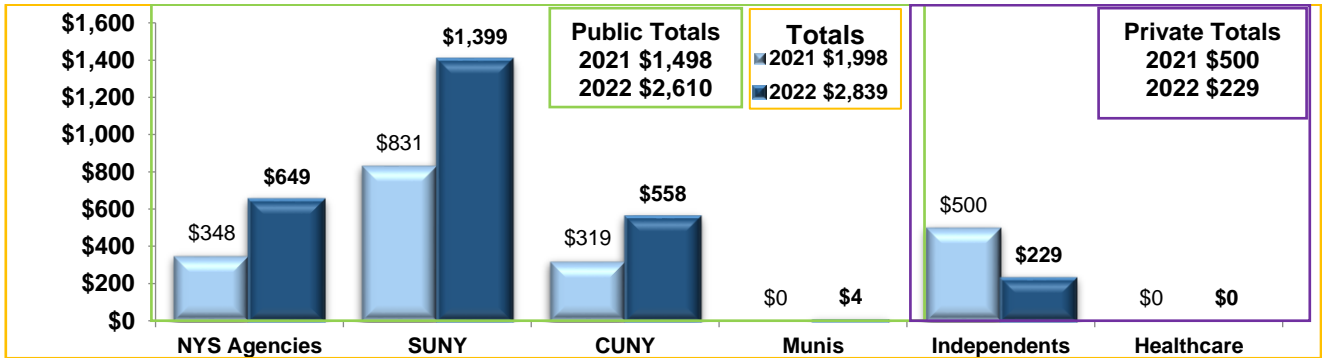
March 31, 2022

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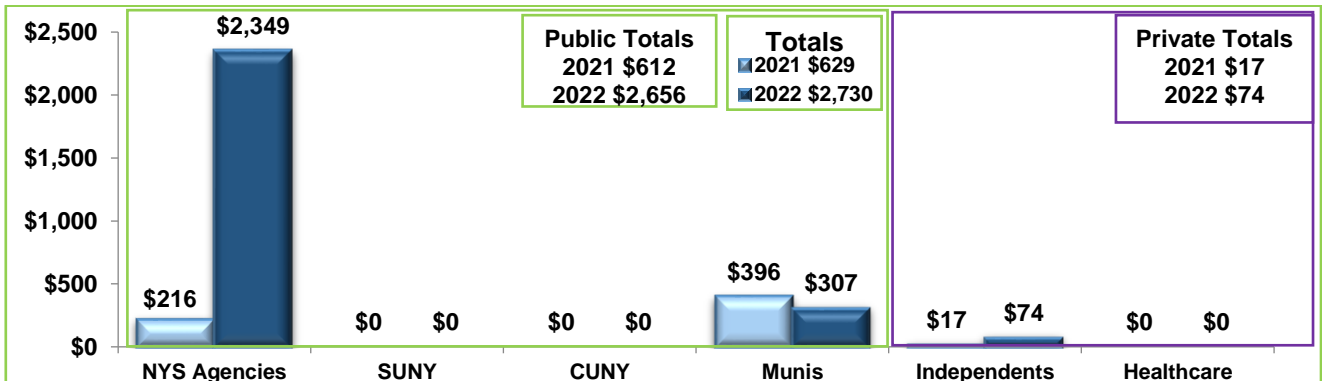
New Money (\$in millions)



Refundings (\$in millions)



Refinancings (\$in millions)



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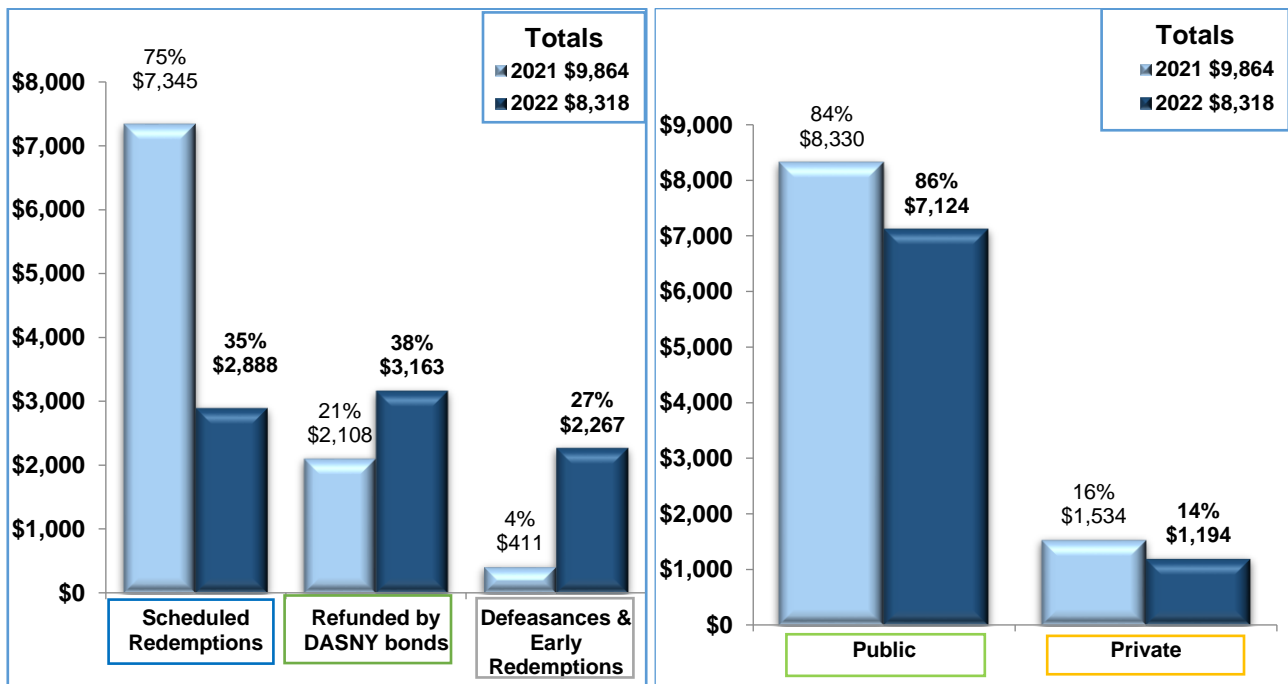
March 31, 2022

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Bonds and Notes Retired

Bond retirements were \$1.5 billion lower in 2022, primarily due to a reduced level of scheduled redemptions from prior year activity. As shown in the charts below, scheduled redemption of DASNY bonds contributed approximately 35% of DASNY's bond retirement activity in 2022, compared with 75% in the prior year driven by public clients. Refundings of DASNY bonds contributed approximately 38% of DASNY's bond retirement activity, more than three-quarters of which were for DASNY's public clients.

Par Amount of Bonds Retired (\$in millions)



The amount refunded by DASNY presented above varies from the amount of refunding debt issued shown in the previous chart due to several factors. Original issue premium on the new bonds issued, balances available in existing bond accounts, and lower interest rates on the new bonds as compared to interest rates on the prior bonds each reduce the amount of new bonds required to refund the prior bonds. The need to fund bondholder interest on the prior bonds through the final redemption dates increases the amount of new bonds required to refund prior bonds. Generally, the amount of refunding debt issued by DASNY is less than the amount of bonds refunded by DASNY.

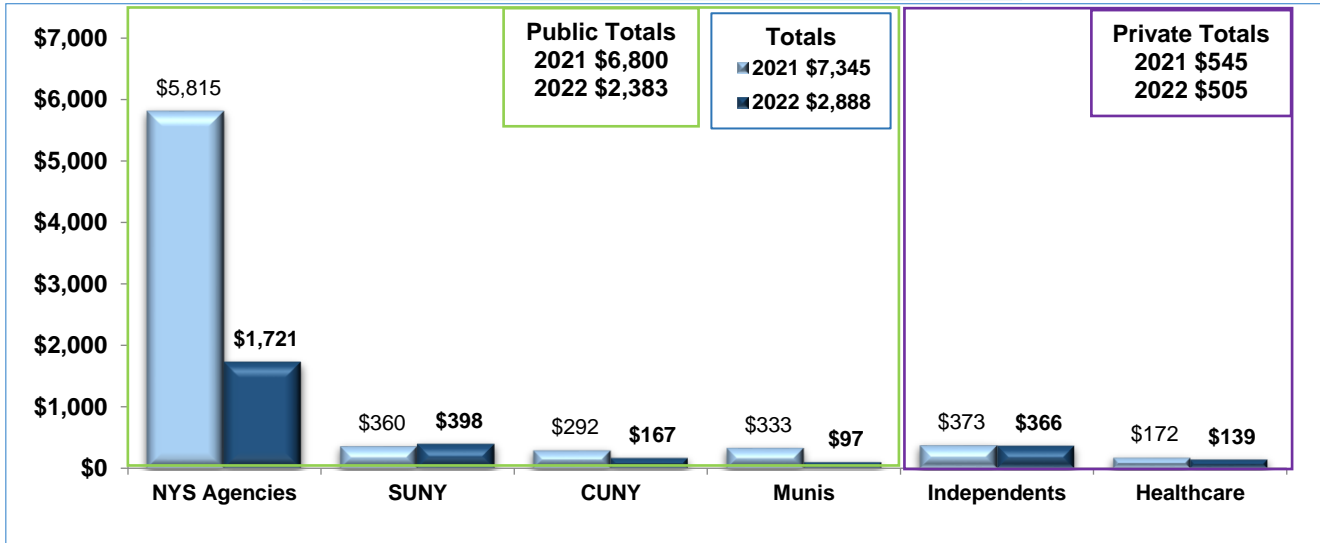
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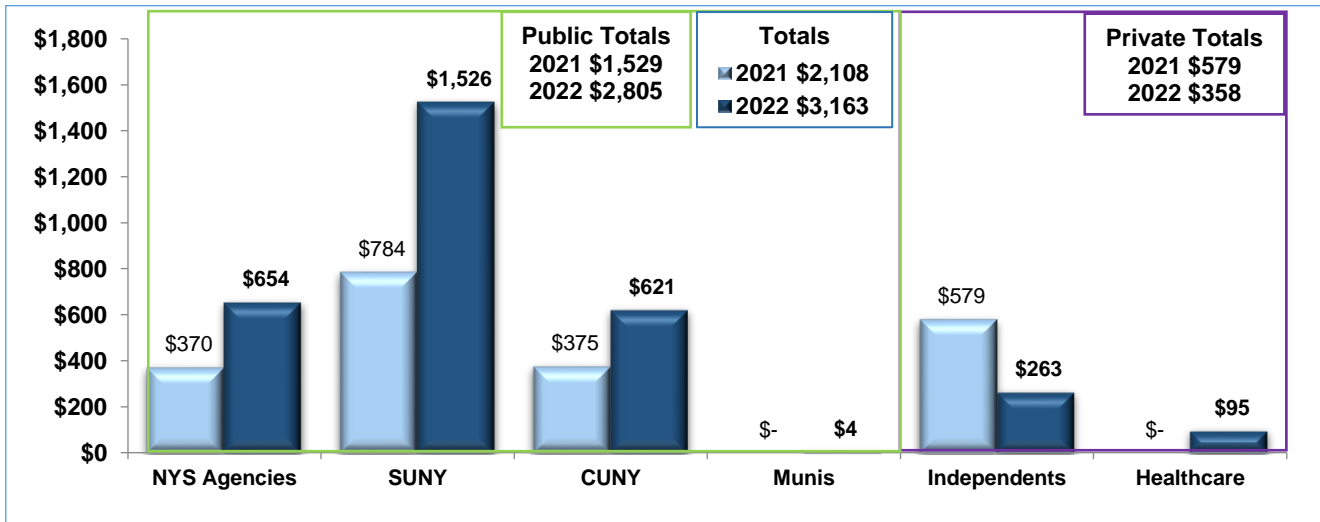
March 31, 2022

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Scheduled Redemptions by Client Type (\$in millions)



Refunded by DASNY Bonds by Client Type (\$in millions)



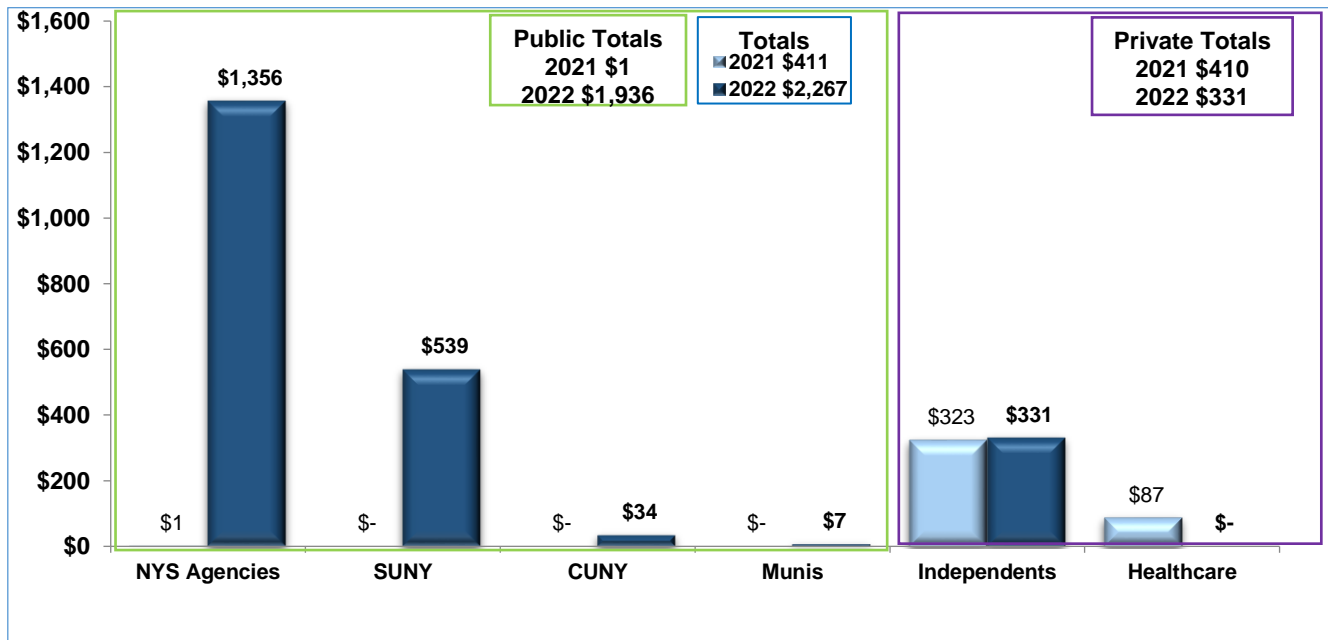
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Defeasances & Early Redemptions by Client Type (\$in millions)



Bonds and Notes Outstanding

As shown on the following page, nearly three-quarters of DASNY's outstanding bonds and notes are related to its public clients, with nearly 80% of that portion related to NYS agencies and SUNY. During 2022, the outstanding balance increased \$669 million (1%). (See note 7 to the basic financial statements for more detailed information.)

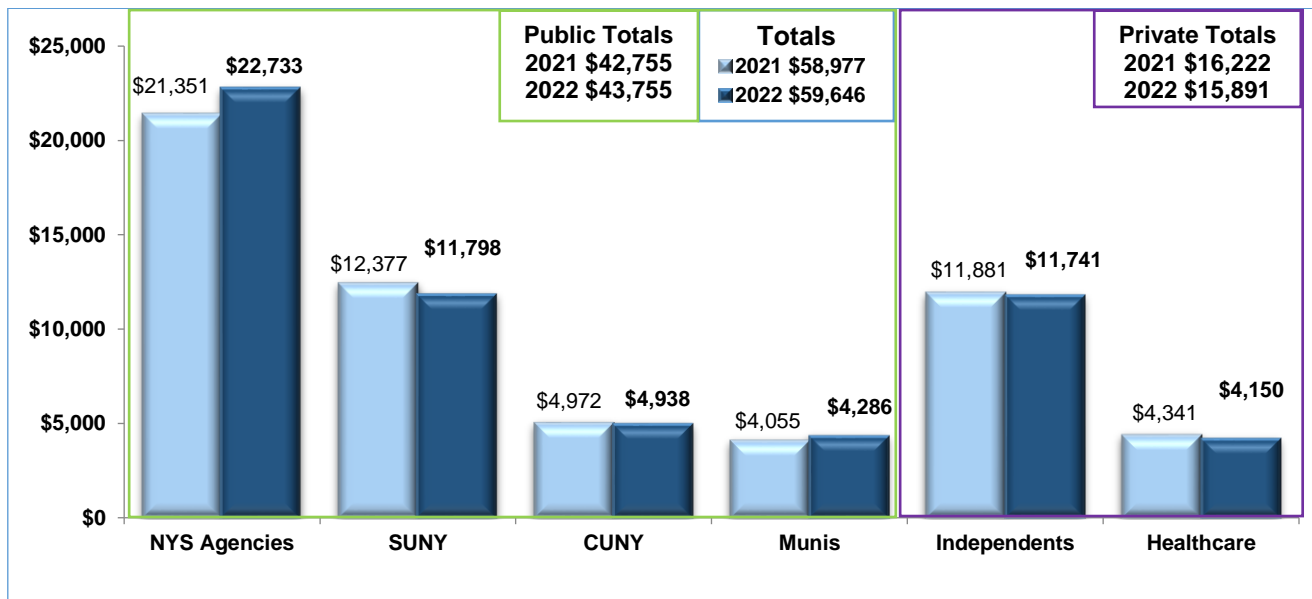
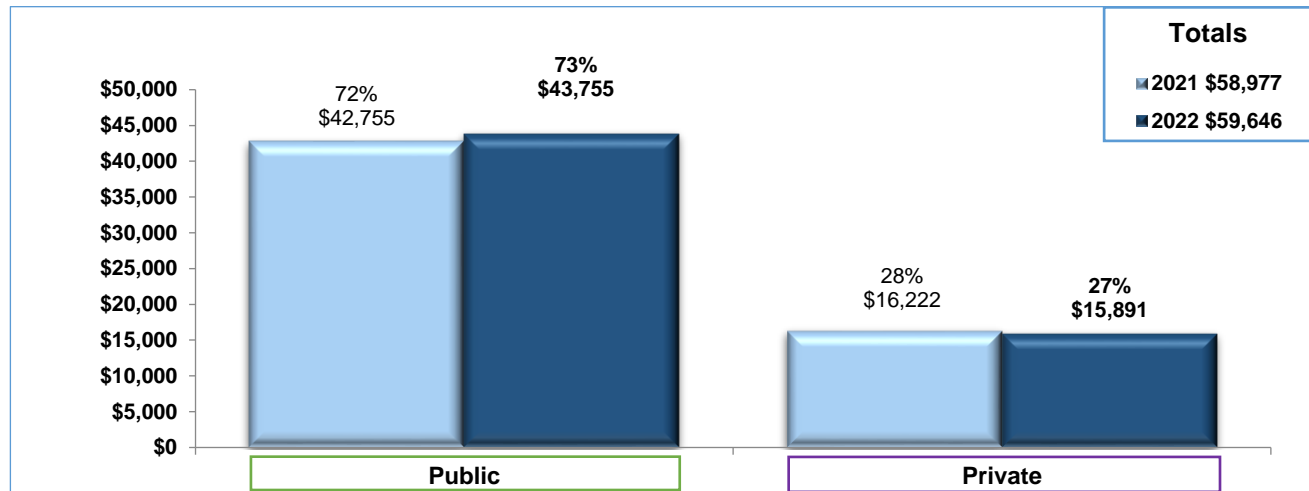
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Bonds and Notes Outstanding by Program as of March 31
(\$in millions)



The following three charts show the rollforward of Bonds and Notes Outstanding as of March 31, 2021 and March 31, 2022. Net New Money is the net balance of New Money and Scheduled Redemptions, Net Refundings is the net balance of Refundings and Refunded by DASNY bonds, and Net Refinancings is the net balance of Refinancings and Defeasances & Early Redemptions.

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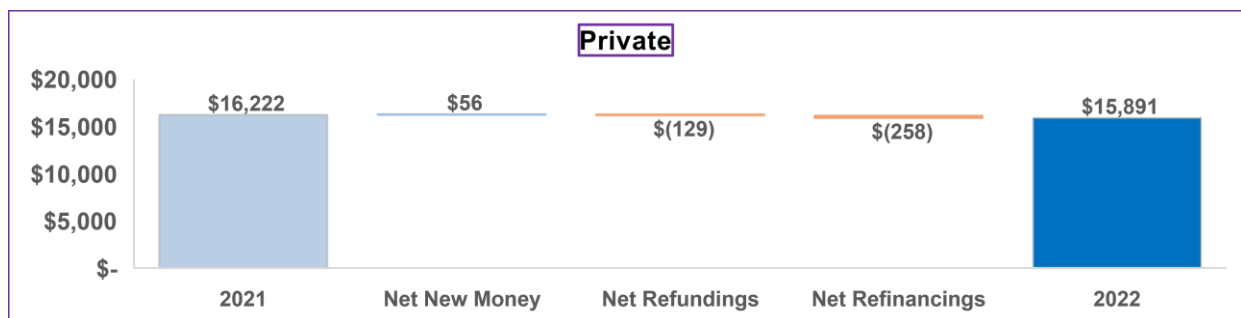
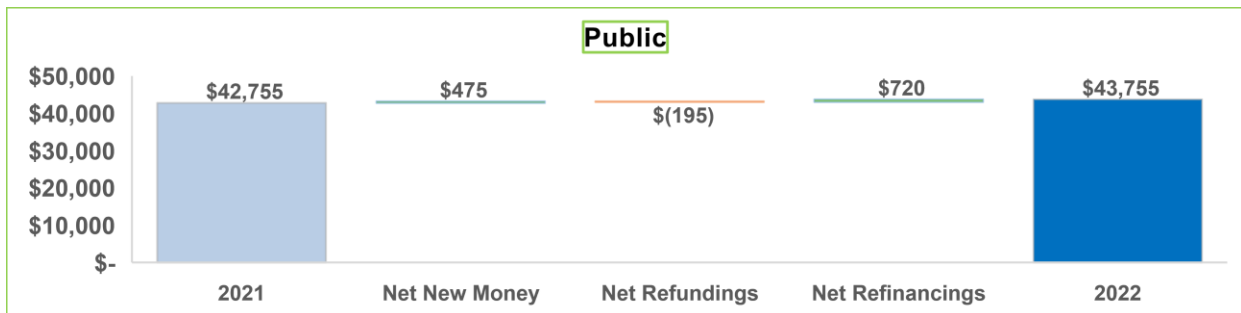
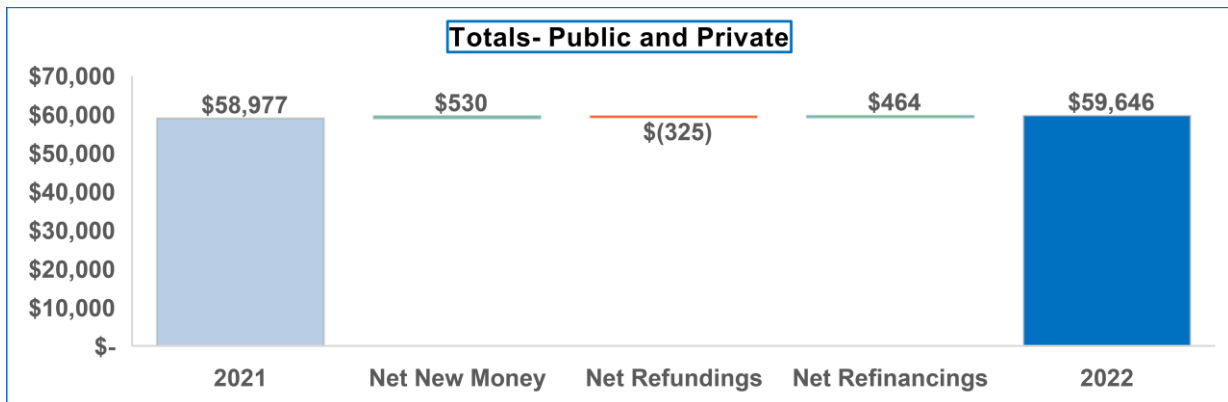
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As shown below, the increase in Bonds and Notes Outstanding as of March 31, 2022, was due primarily to the increases of Net New Money and Net Refinancings from public clients. Consistent with their proportionate share of the total bonds outstanding, public clients accounted for all of 2022's increase in outstanding debt, net of the 2% decrease in outstanding debt for private clients.

Bonds and Notes Outstanding Rollforward as of March 31
(\$in millions)



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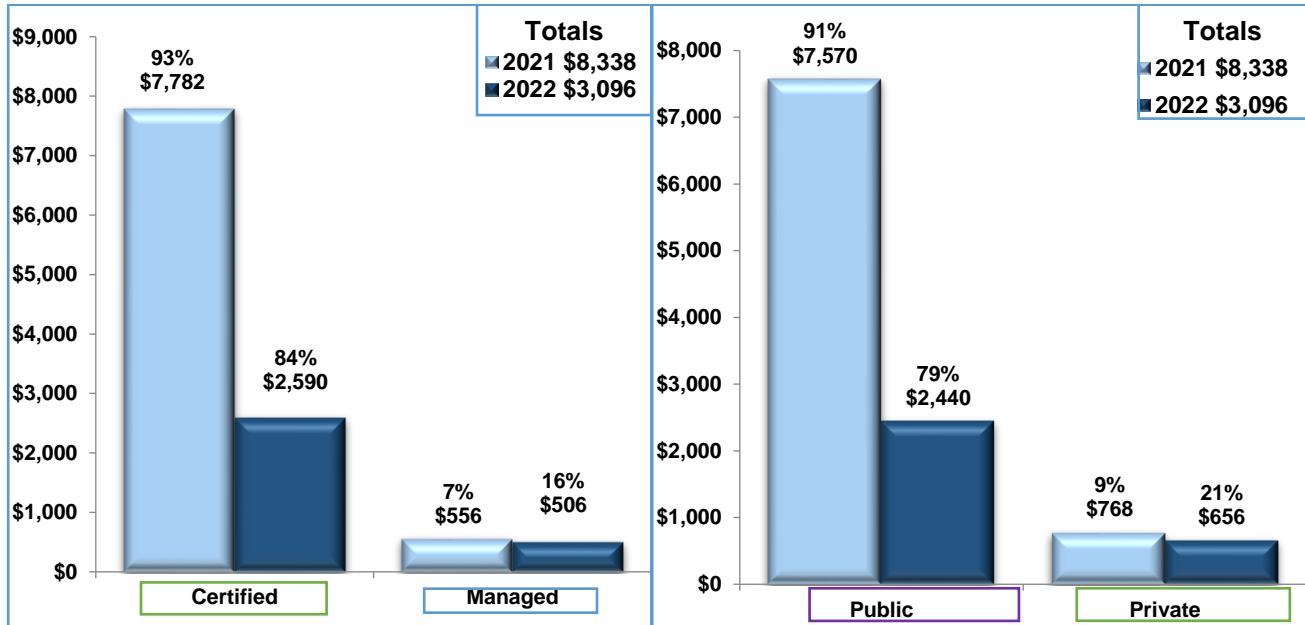
March 31, 2022

(Unaudited)

Construction Management Activities

As described in the Background section, DASNY's Construction Management activities consist of two types of disbursements – reimbursements to clients for projects they manage internally (Certified Construction Disbursements) and vendor payments for projects DASNY manages (DASNY-Managed Projects). As shown below, the majority (84% in 2022) come from reimbursements to clients for their internally managed projects. From a customer perspective, DASNY's Construction Management activities are concentrated (79% in 2022 and 91% 2021) with its public clients. During 2022, decreased requests for reimbursement from public clients for Certified Construction Disbursements of approximately \$5.1 billion drove the overall decrease in activity between 2021 and 2022. This decrease combined with a \$0.1 billion decrease in private clients increased the private clients' proportionate share of total construction expenditures to 21% in 2022 from 9% in 2021.

Construction and Loan Disbursements* (\$in millions)



* Included in the captions "Construction, Loan and Other Disbursements" and "Project Funds Disbursed" on the Statement of Cash Flows. These captions also included loan payoffs, defeasance of non-DASNY debt, costs of issuance, and capitalized fees and expenses.

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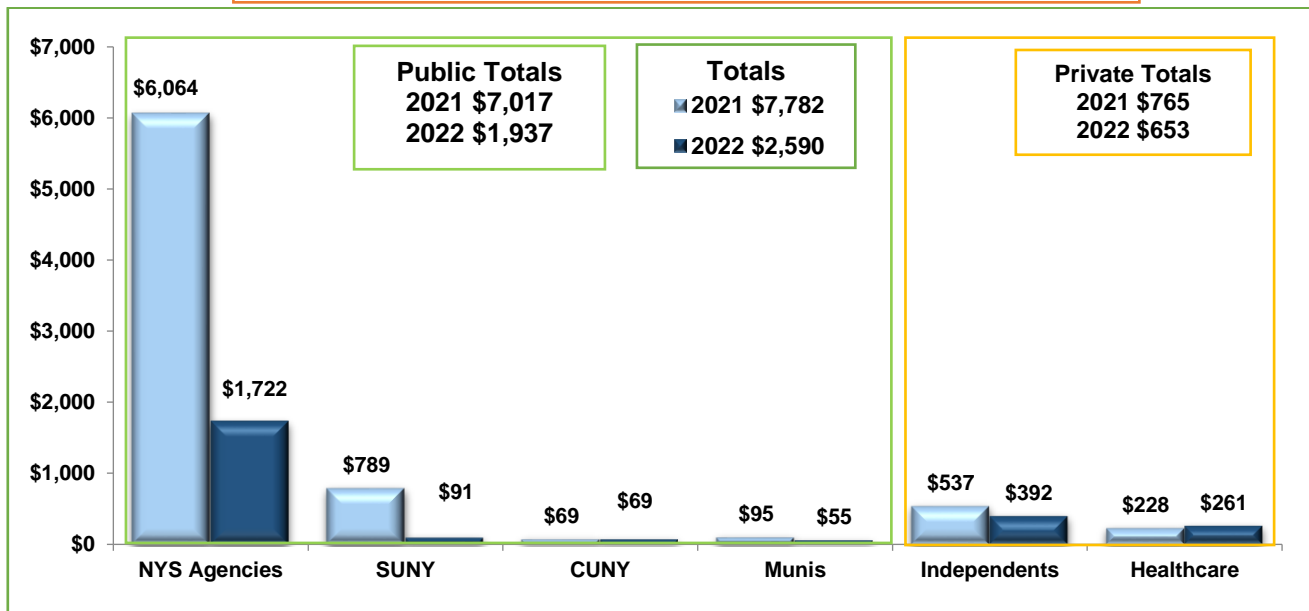
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The charts below and on the next page provide additional detail regarding the two types of construction disbursements, by client type. They show that even within the public clients there is a clear concentration of business, with more than half of DASNY's Construction Management activities coming from NYS Agencies.

In 2022 and 2021, Certified Construction Disbursements for NYS Agencies and SUNY programs totaled \$1.8 billion and \$6.9 billion, respectively, accounting for approximately 70% and 88% of the Certified Disbursements in each year and over half of each year's total construction disbursements. The decrease of \$5.1 billion was primarily due to increased disbursements made in the prior year under the two State PIT Notes issued for working capital purposes to assist the State through potential cashflow needs, facilities which were not used in 2022.

Certified Construction Disbursements by Program (\$in millions)



While the DASNY-Managed Projects represent only 16% of the total construction disbursements, this activity is significant in terms of DASNY's operations. At any point in time, DASNY is actively managing 600-1,000 construction projects with the personnel needed to support this work accounting for more than 81% of DASNY's operating expenses. DASNY generates fees from these clients that are generally equal to the allocable amount of DASNY operating expenses attributable to the construction services provided.

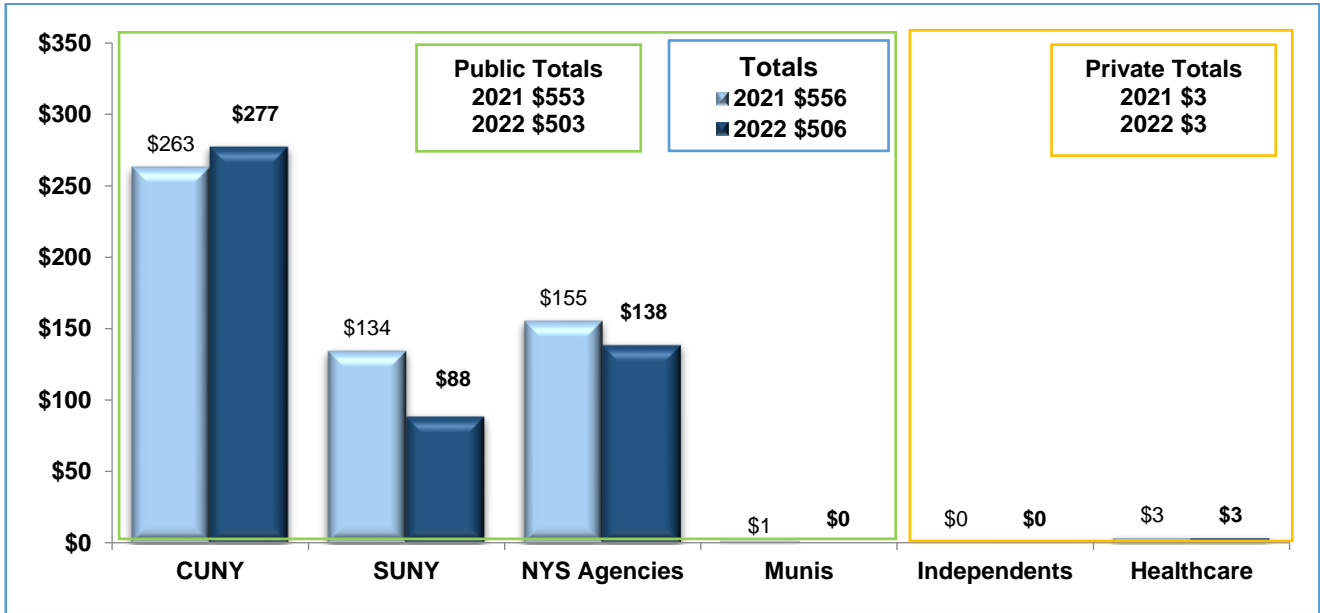
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Construction Disbursements for DASNY- Managed Projects by Program (\$in millions)



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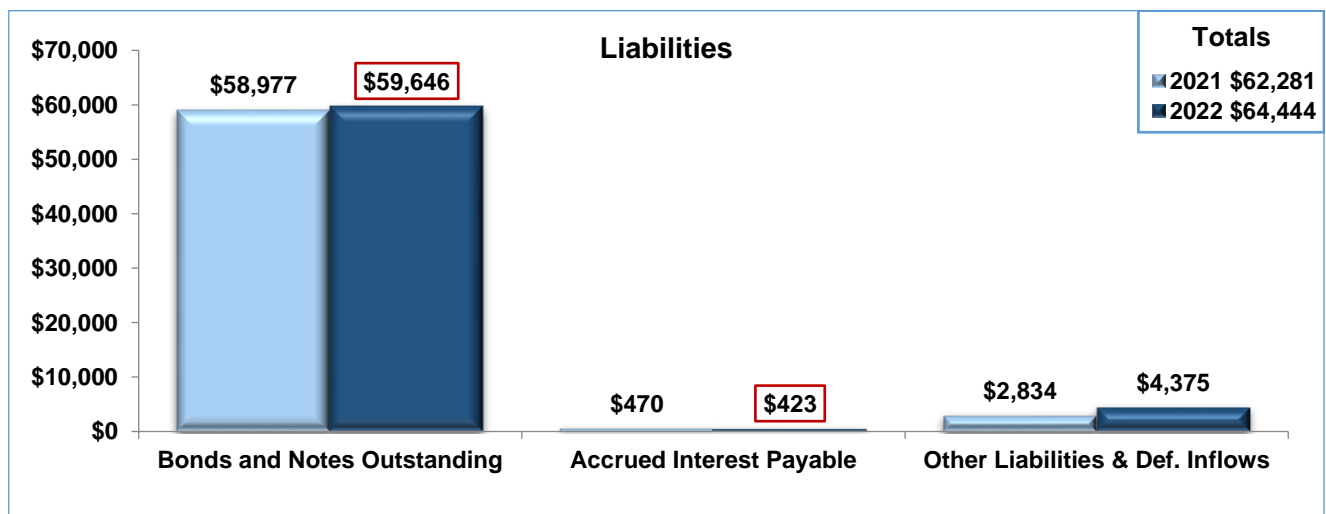
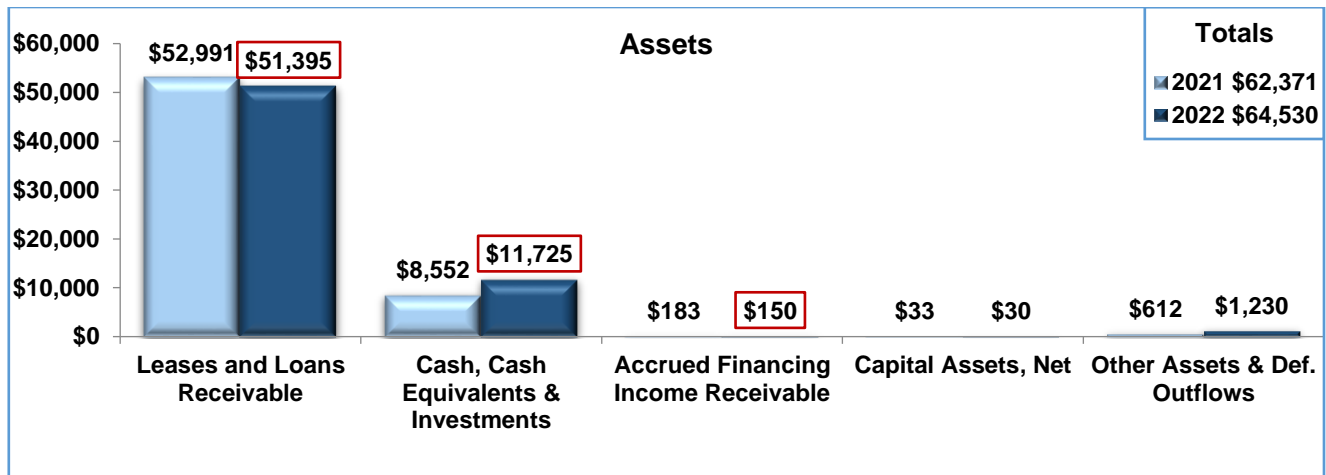
(Unaudited)

Financial Analysis

Statement of Net Position

As shown by the red boxes in the charts below, and as described in the Background section, DASNY's conduit debt comprises the majority of DASNY's Statement of Net Position, making up nearly all of the Assets (the majority of the cash, cash equivalents and investments are related to conduit debt) and Liabilities and more than two-thirds of the Net Position balances.

Condensed Summary of Net Position as of March 31 (\$in millions)

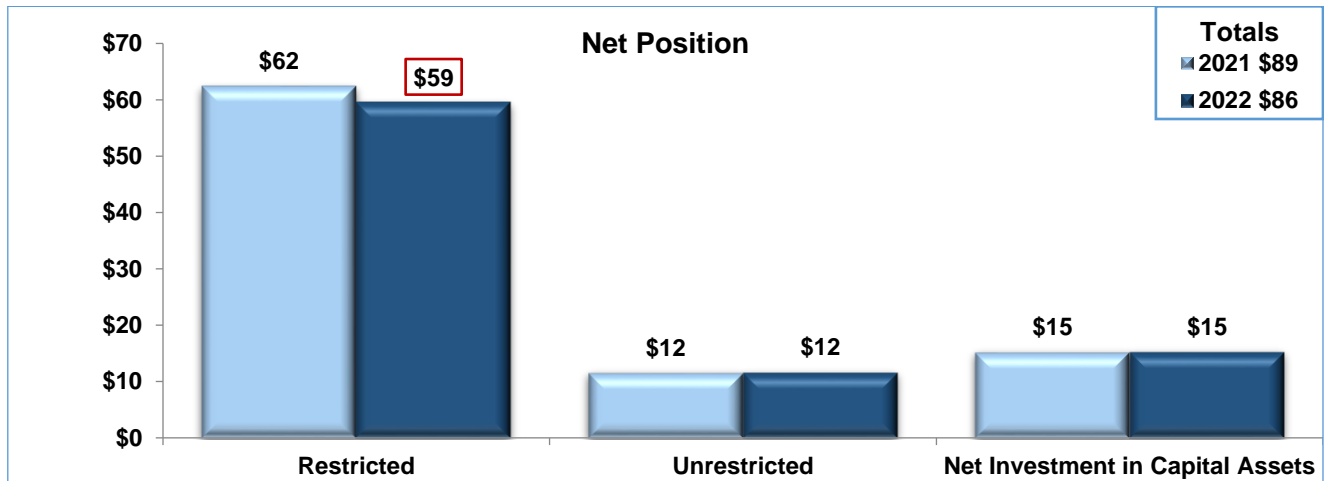


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Assets and Deferred Outflows of Resources

DASNY's assets are comprised primarily of (1) Leases and Loans Receivable, and (2) Cash, Cash Equivalents and Investments. The balance of DASNY's assets include (1) Accrued Financing Income Receivable, (2) DASNY's capital assets and those of its subsidiary Atlantic Avenue Holding Corporation, and (3) Other Assets.

Leases and Loans Receivable represents accumulated construction costs for each project, net of principal repayments from clients, client contributions, and investment earnings on construction accounts. When a project is completed, the receivable will equal the bonds or notes outstanding net of any bond proceeds deposited in reserve accounts. Potential fluctuations result primarily from the timing of disbursements for construction, loan, and other disbursements versus receipts of principal on leases and loans receivable, project contributions and income on investments in construction accounts. (See note 4 to the financial statements for more detailed information.)

Cash, Cash Equivalents and Investments primarily represent monies held for construction, reserves, or for payment of debt service on outstanding bonds and notes. Such monies are held in trust by a trustee bank for the benefit of bondholders. DASNY generally records investments at fair value. Fluctuations result primarily from differences between the timing of receipt of proceeds from new money bond issues and debt service prepayments and the disbursement of those proceeds for construction, payment of debt service on outstanding bonds and notes and other activities. The balance increased approximately \$3 billion or 37% during 2022 primarily due to the prepayment of debt service by the State at the end of the fiscal year.

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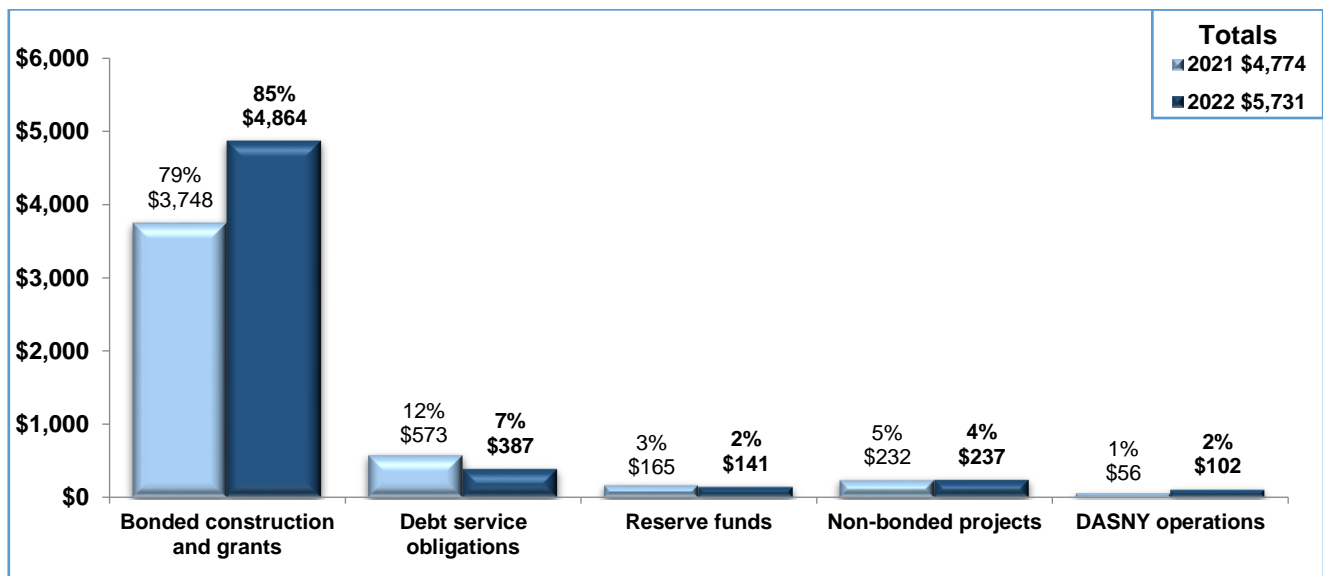
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As highlighted in the chart below, DASNY's investment portfolio consists primarily of (over 90%) funds for (1) construction projects and grant programs financed by DASNY-issued bonds, and (2) debt service obligations. (See note 3 to the basic financial statements for more detailed information.) Investment balances increased by approximately \$950 million (20%) during 2022 primarily due to new money bond issuance activity.

Investment Balances by Purpose as of March 31* (\$in millions)



* An additional \$5.8 billion and \$3.7 billion of money market funds as of March 31, 2022 and 2021, respectively, managed by DASNY is reflected in the Statement of Net Position as a component of Cash and Cash Equivalents.

Accrued Financing Income Receivable represents the amount of interest on bonds and notes due from clients since the last client loan repayment date through DASNY's fiscal year end. Fluctuations result from accrued interest payable on new bond issues, changes in the balance of capital appreciation bonds, the conversion of variable rate bonds to fixed rate bonds and changes in the interest rate environment.

Capital assets represent the capital assets of a DASNY subsidiary (Atlantic Avenue Holding Corporation) and DASNY's Albany headquarters building (DASNY's Buffalo headquarters building is fully depreciated). Capital assets of DASNY's other subsidiary (NGHP Holding Corporation) are not reflected within this balance as the terms of this lease meet the criteria of a direct financing lease, and accordingly, is included in Other Receivables. DASNY's interest in capital assets financed through the issuance of bonds and notes on behalf of clients is recorded on the Statement of Net Position as a component of Leases and Loans Receivable. (See note 5 to the basic financial statements for more detailed information.)

Other Assets and Deferred Outflows of Resources include project funds receivables, accrued interest receivable on investments, deferred outflows of resources related to pensions and postemployment benefits,

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and other receivables. The balance increased approximately \$618 million or 101% primarily due to a \$526 million increase in Project funds receivable related to construction costs and grant expenditures funded by the State in the first instance and waiting to be reimbursed with bond or note proceeds.

Liabilities and Deferred Inflows of Resources

DASNY's Liabilities and Deferred Inflows of Resources are comprised primarily of Bonds and Notes Outstanding. The balance of DASNY's liabilities include (1) Accrued Interest Payable, and (2) Other Liabilities and Deferred Inflows of Resources.

Accrued Interest Payable represents interest due, but not yet paid, to the holders of outstanding bonds and notes from the last interest payment date through DASNY's fiscal year-end. Fluctuations result from accrued interest payable on new bond issues offset by a net decrease in the balance of capital appreciation bonds outstanding due to scheduled maturities as well as changes in the interest rate environment.

Other Liabilities and Deferred Inflows of Resources include accounts payable, amounts due to NYS, unearned financing income, amounts held for institutions, deferred inflows of resources related to pensions, and unearned fees. The balance increased approximately \$1.5 billion or 54% primarily due to a \$857 million increase in Accounts payable and accrued expenses and a \$592 million increase in Due to New York State for amounts advanced from the State's short term investment pool awaiting reimbursement from bond or note proceeds.

Net Position

DASNY's net position consists primarily of Restricted and Unrestricted Net Positions, as well as its Net Investment in Capital Assets.

Restricted Net Position relates to activity in the bonds and note accounts and is the largest component of DASNY's Net Position, accounting for more than two-thirds of the total.

Unrestricted Net Position relates to DASNY's operating activities and accounts for 13% of DASNY's Net Position. The related assets include unrestricted cash and investments, including monies available to assist healthcare clients and program development accounts.

Net Investment in Capital Assets primarily relates to DASNY's headquarters building and related furniture and equipment.

Statement of Net Position – 2022 Activity

Overall DASNY's Statement of Net Position remained relatively stable in 2022. Increases in assets and liabilities (\$2.2 billion each) were driven by the net increase in bonds outstanding (issuances of \$9 billion less retirements of \$8.3 billion), related Leases and Loans Receivable, and Cash and Cash Equivalents. Restricted Net Position remained relatively flat in 2022 compared with 2021.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Management's Discussion and Analysis

March 31, 2022

(Unaudited)

Statement of Revenues, Expenses, and Changes in Net Position

As shown on the charts on the next page, the majority of DASNY's revenues and expenses relates to activity associated with the bonds and notes DASNY issues rather than its own operations. The revenues generated in restricted bond and note accounts accumulate until needed. In some years, revenues exceed expenses in restricted bond and note accounts, usually as a result of income on investments and contributions of cash and investments. In other years, expenses exceed revenues in restricted bond and note accounts as accumulated revenues are utilized, usually for payment of debt service, redemption of bonds and notes or transfers to escrow in connection with refundings.

The activity associated with the bonds and notes DASNY issues is reflected in the following categories:

1. *Financing Income* – interest payments from clients
2. *Income on Investments* – primarily income on restricted bond and note accounts other than construction accounts which is reflected in the Statement of Net Position as a component of Leases and Loans Receivable since the earnings are generally used for project costs; amounts also reflect unrealized gains and losses as a result of market value fluctuations.
3. *Other Revenues* – primarily income on investments transferred from construction accounts and contributions of cash and investments.
4. *Interest on Bonds and Notes* – interest payments to bondholders
5. *Other Expenses* – primarily transfers of accumulated Restricted Net Position and current year revenues to escrow in connection with refundings, amounts returned to institutions, reductions of leases and loans receivable due to redemption of bonds, arbitrage expense, program expenses and administrative fees paid from restricted accounts.

Financing Income and Income on Investments on certain restricted bond and note accounts are used to pay interest on bonds and notes.

Fluctuations in Other Revenues reflect the relative amounts of contributions deposited to meet reserve requirements along with investment income available in construction accounts and transferred to other restricted bond and note accounts.

DASNY's operating activity is primarily reflected in the following categories:

6. *Fees for Services* – financing fees and annual administrative fees related to ongoing bond management and construction services; and
7. *Costs of Operations* (Personal Service, Employee Benefits, Maintenance and Operations) – primarily for employee service and related benefits and taxes

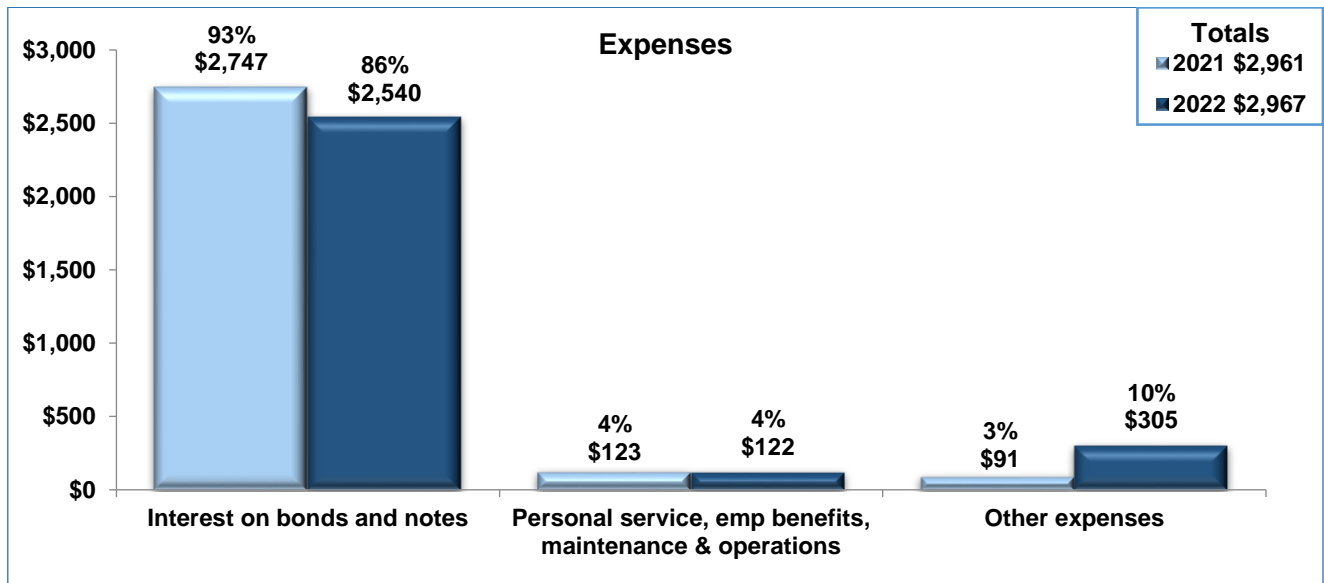
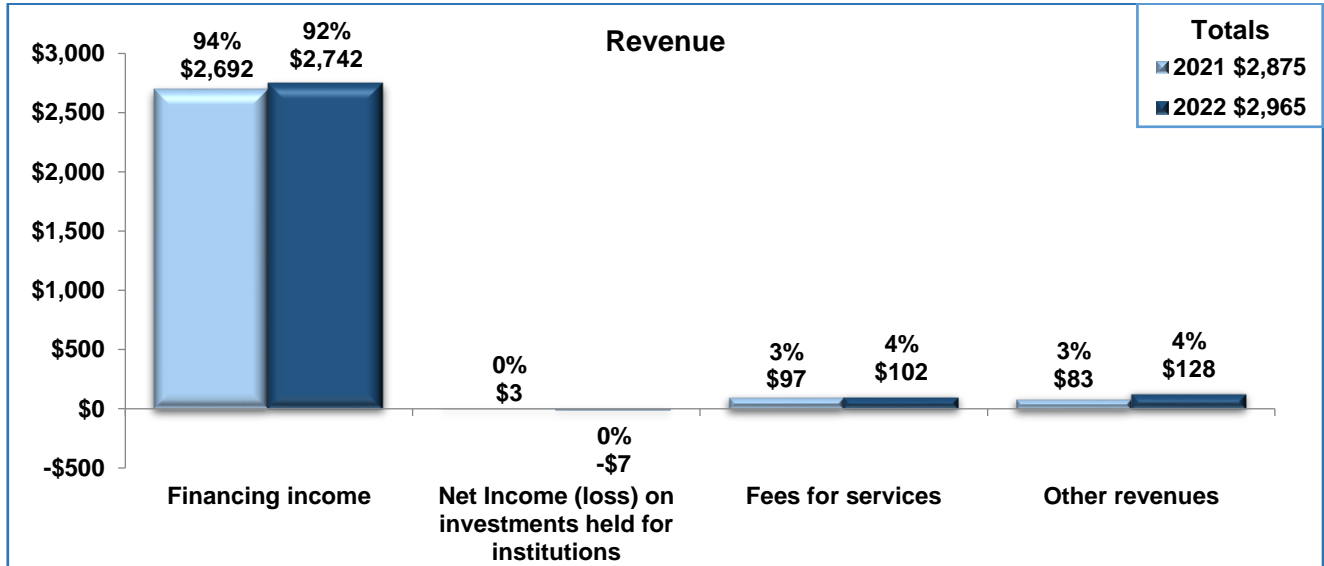
DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Management's Discussion and Analysis

March 31, 2022

(Unaudited)

Condensed Summary of Revenue and Expenses as of March 31 (\$in millions)



DORMITORY AUTHORITY OF THE STATE OF NEW YORK

(A Component Unit of the State of New York)

Management's Discussion and Analysis

March 31, 2022

(Unaudited)

Statement of Revenues, Expenses, and Changes in Net Position – 2022 Activity

Financing Income and Interest on Bonds and Notes remained relatively stable during 2022, with a slight decrease in interest on bonds primarily due to the expiration of line of credit facilities on behalf of the State.

Income on Investments held for institutions decreased \$10 million, or 314% primarily due to changes in market value related to increases in interest rates at fiscal year end, resulting in a net loss of \$7 million.

Fees for Services of \$102 million increased \$5 million (5%) primarily due to an increase in construction management activity.

Other Revenues increased \$45 million, or 54% due to an increase of \$40 million in Contributions of Cash and Investments and a \$5 million increase in Other Revenue.

Personal Service and Employee Benefits, decreased by \$4 million (4%) during 2022, primarily due to lower pension expense due to the plan outperforming expected earnings on pension plan investments, offset by a reduction in the discount rates used to calculate pension liability and Postemployment Benefits Other Than Pensions (OPEB) expense.

Maintenance and Operations Expenses increased \$1.8 million (7%) in 2022, primarily due to higher insurance premiums.

Other Expenses increased \$214 million, or 236% primarily due to an increase of \$21 million in Reduction of leases and loans receivable due to redemption of bonds and a \$263 million increase in Transfers to escrow in connection with bond refundings and defeasances.

Request for Information

DASNY's corporate headquarters is located at 515 Broadway, Albany, New York 12207-2964. The main telephone number is 518-257-3000. DASNY maintains an internet website which can be accessed from the following address www.dasny.org.

All required secondary market disclosures for DASNY's private not for profit clients are done through Digital Assurance Certification LLC (DAC) which can be accessed through the following website: www.dacbond.com. All required secondary market disclosures for DASNY's public clients are available on the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) website which can be accessed through the following website: www.emma.msrb.org. DASNY also provides additional information on its website at www.dasny.org. In addition, while certain information pertaining to DASNY's debt issuances for certain of DASNY's public clients is available on the DAC website, DASNY, the bond trustee and the applicable client each have responsibilities with respect to the filing of material event notices and providing updated financial and operational data with EMMA.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Statement of Net Position

March 31, 2022

(in thousands)

Assets and Deferred Outflows of Resources

Current assets:	
Cash and cash equivalents (note 3)	\$ 5,994,447
Investments (note 3)	584,973
Leases and loans receivable, net (note 4)	2,264,615
Project funds receivable	788,671
Accrued financing income receivable	150,212
Accrued interest receivable on investments	10,220
Other receivables (note 2g)	<u>59,238</u>
Total current assets	9,852,376
Investments (note 3)	5,145,956
Leases and loans receivable, net (note 4)	49,130,362
Project funds receivable	73,585
Other receivables (notes 2g and 12)	193,412
Capital assets, net (note 5)	<u>30,396</u>
Total assets	64,426,087
Deferred outflows of resources (note 2i, 11 and 12)	<u>104,478</u>
Total assets and deferred outflows of resources	<u>\$ 64,530,565</u>

Liabilities and Deferred Inflows of Resources

Current liabilities:	
Accounts payable and accrued expenses	\$ 1,073,609
Bonds and notes outstanding (notes 6 and 7)	2,932,512
Accrued interest payable	422,781
Unearned financing income	621,624
Amounts held for institutions (note 6)	196,628
Due to New York State (note 6)	1,573,950
Current portion of other long-term liabilities (note 6)	4,406
Unearned fees for services	<u>55,769</u>
Total current liabilities	6,881,279
Bonds and notes outstanding (notes 6 and 7)	56,713,676
Amounts held for institutions (note 6)	447,963
Due to New York State (note 6)	12,638
Other long-term liabilities (note 6)	<u>335,412</u>
Total liabilities	64,390,968
Deferred inflows of resources (note 2i, 11 and 12)	<u>53,148</u>
Total liabilities and deferred inflows of resources	<u>\$ 64,444,116</u>

Net Position

Net investment in capital assets	\$ 15,219
Restricted	59,626
Unrestricted (note 13)	<u>11,604</u>
Total net position	<u>\$ 86,449</u>

See accompanying notes to basic financial statements.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Statement of Revenues, Expenses, and Changes in Net Position

Year ended March 31, 2022

(in thousands)

Operating revenues:	
Financing income	\$ 2,742,015
Net loss on investments held for institutions	(7,295)
Fees for services	102,235
Contributions of cash and investments	42,936
Other	84,834
Total operating revenues	<u>2,964,725</u>
Operating expenses:	
Interest on bonds and notes	2,540,451
Amounts returned to institutions	5,190
Reduction of leases and loans receivable due to redemption of bonds	25,930
Personal service and employee benefits	93,793
Maintenance and operations	27,887
Transfers to escrow	262,845
Other	11,063
Total operating expenses	<u>2,967,159</u>
Operating loss	(2,434)
Nonoperating revenues:	
Net loss on investments held for DASNY	(190)
Decrease in net position	(2,624)
Net position, beginning of year	<u>89,073</u>
Net position, end of year	<u>\$ 86,449</u>

See accompanying notes to basic financial statements.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Statement of Cash Flows

Year ended March 31, 2022

(in thousands)

Cash flows from operating activities:	
Fees for services	\$ 101,463
Amounts received from institutions	43,424
Project funds received	747,315
Dormitory rent receipts	514,880
Permit and patient income receipts	1,792,297
Special purpose healthcare loan receipts	20,718
Other receipts	16,829
Personal service and employee benefits	(77,382)
Maintenance and operations	(30,379)
Permit and patient income transferred to New York State	(1,729,324)
Project funds disbursed	(716,996)
Dormitory rent disbursements	(505,972)
Amounts returned to institutions	(4,733)
Special purpose healthcare loan disbursements	(24,380)
Other disbursements	(12,081)
Net cash provided by operating activities	<u>135,679</u>
Cash flows from noncapital financing activities:	
Proceeds from the issuance of bonds and notes	9,909,910
Amounts transferred to escrow to defease debt	(4,670,538)
Principal repayments of bonds and notes	(3,914,210)
Interest paid on bonds and notes	(2,618,079)
Net cash used in noncapital financing activities	<u>(1,292,917)</u>
Cash flows from capital financing activities:	
Acquisition of property and equipment	(1,081)
Net cash used in capital financing activities	<u>(1,081)</u>
Cash flows from investing activities:	
Purchases of investments	(19,436,447)
Proceeds from sales and maturities of investments	18,411,166
Income on investments	50,166
Construction, loan, and other disbursements	(5,558,308)
Principal receipts on leases and loans receivable	7,231,682
Financing income	2,676,401
Net cash provided by investing activities	<u>3,374,660</u>
Net increase in cash and cash equivalents	<u>2,216,341</u>
Cash and cash equivalents, beginning of year	<u>3,778,106</u>
Cash and cash equivalents, end of year	<u>\$ 5,994,447</u>

See accompanying notes to basic financial statements.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Statement of Cash Flows

Year ended March 31, 2022

(in thousands)

Operating loss	\$	(2,434)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense		2,256
Interest on bonds and notes		2,540,451
Loss on investments held for institutions		7,295
Financing income		(2,742,015)
Reduction of leases and loans receivable due to redemption of bonds		25,930
Investment transfers		(12)
Amounts transferred to escrow to defease debt		262,845
Assets received from escrow		(2,997)
Other expenses		1,711
Change in assets and liabilities:		
Increase in leases and loans receivable		(45,081)
Increase in deferred outflows of resources		(44,451)
Increase in project funds receivable		(527,788)
Increase in other receivables		(39,420)
Increase in accounts payable and accrued expenses and other long-term liabilities, net of construction funds		34,440
Increase in due to New York State		495,579
Increase in amounts held for institutions		126,125
Increase in unearned fees for services		4,345
Increase in deferred inflows of resources		38,900
Total adjustments		138,113
Net cash provided by operating activities	\$	135,679

See accompanying notes to basic financial statements.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
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Notes to Basic Financial Statements

March 31, 2022

(1) DASNY

The Dormitory Authority of the State of New York (DASNY) is a public benefit corporation established in 1944 and is governed by Title 4 and 4B, Article 8 of the Public Authorities Law of the State of New York. DASNY is an independent corporate agency with governmental functions delegated to it by the State of New York (the State). It is not a municipal corporation. DASNY employees are not employees of the State or of a civil service division thereof.

DASNY was established by the State as a public benefit corporation for the purpose of financing, designing, constructing, purchasing, reconstructing, and/or rehabilitating buildings (projects), including the acquisition of equipment, for a variety of public and private institutions. The private institutions for which DASNY is authorized to provide these services consist of colleges and universities, hospitals, nursing homes and various other entities that are specifically enumerated in DASNY's enabling legislation. The public institutions for which DASNY is authorized to provide these services include various agencies of the State, the City University of the City of New York (the City), the State University of the State of New York (SUNY), local school districts, cities and counties with respect to certain court and municipal facilities and for various other purposes as authorized by law. DASNY has also established lease financing programs that are used to finance the acquisition of equipment for various clients. DASNY is also authorized by statute to finance directly or indirectly certain student loans and on behalf of the State, to fund and administer grants to various public and private entities. To accomplish its purpose, DASNY has the power to borrow money and to issue negotiable bonds or notes, in conformity with the applicable provisions of the Uniform Commercial Code, and to provide for the rights of the holders of such debt instruments. DASNY's obligations are not a debt of the State. All bonds and notes issued by DASNY are subject to the approval of the Public Authorities Control Board of the State.

DASNY is authorized pursuant to Section 1678 (25) of the Public Authorities Law to establish subsidiaries for the purpose of limiting its potential liability when exercising its powers and duties in pursuit of remedies against a borrower that has defaulted in its obligations under a loan agreement or mortgage with DASNY.

On March 17, 2011, NGHP Holding Corporation (NGHP) was established as a subsidiary of DASNY in the form of a public benefit corporation as a result of North General Hospital's default under its loan agreements and mortgages with DASNY. North General Hospital filed a petition in bankruptcy and NGHP acquired certain real property assets subject to certain liabilities of North General Hospital on June 30, 2011 in accordance with the plan of liquidation approved by the Bankruptcy Court. NGHP is included in these basic financial statements as a blended component unit as DASNY's governing board serves as the governing board of NGHP and DASNY management has operational responsibility for NGHP.

On November 20, 2013, Atlantic Avenue Healthcare Property Holding Corporation (Atlantic Avenue) was established as a subsidiary of DASNY in the form of a public benefit corporation as a result of Interfaith Medical Center's (Interfaith) default under its loan agreements and mortgages with DASNY. Interfaith Medical Center filed a petition in bankruptcy and Atlantic Avenue acquired certain real property assets subject to certain liabilities of Interfaith Medical Center on June 19, 2014 in accordance with the plan of reorganization approved by the Bankruptcy Court. Atlantic Avenue is included in these basic financial statements as a blended component unit as DASNY's governing board serves as the governing board of Atlantic Avenue and DASNY management has operational responsibility for Atlantic Avenue. In December 2020, Interfaith and Kingsbrook Jewish Medical Center merged into Brookdale Hospital Medical

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
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Notes to Basic Financial Statements

March 31, 2022

Center. As a result of the merger, Interfaith's existing loan agreements and mortgages are being assigned and assumed by Brookdale Hospital Medical Center.

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended, DASNY is included in the financial statements of the State as a discretely presented component unit.

(2) Summary of Significant Accounting Policies

(a) Basis of Reporting

DASNY's basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles for governments as prescribed by the GASB, which is the primary standard setting body for establishing governmental accounting and financial reporting principles.

During fiscal year 2022, DASNY adopted GASB Statement No. 93, *Replacement of Interbank Offered Rates* (GASB Statement No. 93). As a result of global reference rate reform, LIBOR was expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of GASB Statement No. 93 is to address accounting and financial reporting implications that result from the replacement of interbank offered rates. GASB issued Statement No. 99 *Omnibus* (GASB Statement No. 99) in April 2022 which under paragraph 26 extended the period during which LIBOR is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt. Adoption of GASB Statement No. 93 and GASB Statement No. 99 paragraph 26 had no impact on DASNY's net position.

(b) Basis of Accounting

DASNY follows the economic resources measurement focus and the accrual basis of accounting for revenues and expenses whereby revenues are recognized when earned and expenses are recognized when obligations are incurred.

The basic financial statements are a compilation of approximately 2,000 separate self balancing accounts, each related to either an individual series of outstanding bonds and notes or an individual operating account.

DASNY has elected the option under GASB Interpretation No. 2, *Disclosure of Conduit Debt Obligations*, to report conduit debt in its basic financial statements, other than certain tax exempt equipment leases (see note 7(c)). DASNY's more significant accounting policies are described below.

DASNY's primary operating revenue is financing income, representing interest on indebtedness, received from institutions. DASNY also recognizes as operating revenue the income on investments held for institutions, except interest earned on construction account investments. Income on investments in construction accounts is recorded as a reduction to leases and loans receivable since the earnings are generally used for project costs. Fees charged to institutions for services and certain remaining bond proceeds transferred from refunded issues are also recognized as operating revenue. Operating expenses for DASNY include the interest expense on bonds and notes, reduction of leases

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Notes to Basic Financial Statements

March 31, 2022

and loans receivable, which represents bonds redeemed with earnings, administrative expenses and amounts returned to institutions.

The majority of DASNY's revenues and expenses does not relate to operations, rather, it relates to activity in the restricted debt accounts of the individual series of bonds and notes. The revenues generated in restricted debt accounts accumulate until needed. In some years, revenues exceed expenses in restricted debt accounts, usually as a result of income on investments and contributions of cash and investments. In other years, expenses exceed revenues in restricted debt accounts as accumulated revenues are utilized, usually for payment of debt service, redemption of bonds and notes, transfers to escrow in connection with refundings or amounts returned to institutions. Restricted net position remains in each of the individual bond or note issues and accrues to the benefit of the client institutions. At final maturity, the restricted net position of an individual bond or note issue will be \$0.

Any revenues and expenses that do not support DASNY's primary business functions are reported as nonoperating revenues and expenses.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit and money market funds.

(d) Investments

Investments are recorded at fair value, other than certificates of deposit and certificates of indebtedness, which are recorded at cost. Changes in fair value are included in Income on Investments Held for Institutions and nonoperating Income on Investments Held for DASNY in the Statement of Revenues, Expenses, and Changes in Net Position, except for changes in fair value related to investments in the construction accounts, as described in note 2(e).

(e) Leases and Loans Receivable

Projects are financed primarily under either a lease (where the lease payments are pledged to the trustee for the benefit of the bondholders), a loan (where the loan payments are pledged to the trustee for the benefit of the bondholders), or other agreements, including service contracts and financing agreements with the State and municipalities, which provide for the payment of debt service dependent upon annual appropriation, or for which specific revenues have been pledged in support of a collateralized borrowing. Additionally, in certain instances, revenues of the institutions have been pledged under the terms of the respective bond resolutions and certain restricted amounts are required to be maintained with the trustee in accordance with such resolutions.

Leases and Loans Receivable represents accumulated construction costs for projects financed through bond and note issues, net of principal repayments received from institutions, institution contributions, and income on investments on construction accounts. Income on investments, including changes in fair value, on construction accounts is recorded as a reduction to this receivable since the earnings are generally used for project costs. The disbursement of project costs financed with bond proceeds is recorded as an increase to this receivable. The principal portion of debt service received from institutions is recorded as a reduction to this receivable. Also included in this receivable are bond issuance costs and premium or discount on the debt issued.

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Notes to Basic Financial Statements

March 31, 2022

Interest paid from bond proceeds during the construction period, capitalized interest, is recorded as an increase to the receivables. Capitalized interest was approximately \$20 million for the fiscal year ended March 31, 2022. Income (loss) earned on construction fund investments during the construction period is recorded as a reduction (increase) of the receivables. Construction fund investment income (loss) was approximately (\$3) million for the fiscal year ended March 31, 2022.

Leases and Loans Receivable, together with amounts held in construction accounts and amounts deposited in certain other restricted accounts, are generally equal to the face value of the associated bonds or notes outstanding. The effective interest rate on the receivables is generally imputed based on the effective rate on the bond or note, and the related income is included in Financing Income in the Statement of Revenues, Expenses, and Changes in Net Position.

DASNY maintains various asset management monitoring systems to evaluate the ability of institutions to meet their debt service payments and establishes loan loss reserves as necessary. All bond and note issues are special obligations of DASNY and many include credit enhancements to ensure payment of debt service to the bondholders (see note 7).

(f) Project Funds Receivable

Project Funds Receivable includes amounts due from institutions for projects funded from other than available bond or note proceeds. The amounts reported in this asset category also include construction costs for certain mental health, the City University of New York, and SUNY Upstate Community Colleges projects and grants paid by the State in the first instance which will subsequently be funded from bond or note proceeds or other State appropriations and reimbursed to the State. The related liability for these costs is reported as Due to New York State in the Statement of Net Position. Additionally, the cost of retainage on construction contracts that will be funded in the future by institution contributions or additional bond or note proceeds is included in Project Funds Receivable.

(g) Other Receivables

Other Receivables consist of amounts due from institutions for various healthcare loans, DASNY administrative fees, other postemployment benefit obligations and accrued leave credits allocable to public clients, prepaid expenses, and bond issuance costs and project costs advanced from DASNY operating funds. Also included in Other Receivables are amounts due to NGHP from New York City Health and Hospitals Corporation related to a building lease and a note due to Atlantic Avenue from Brookdale Hospital Medical Center. At March 31, 2022, DASNY recorded \$277 million as an allowance for uncollectible accounts primarily related to advances made to assist healthcare institutions which, for the most part, do not impact the Statement of Revenues, Expenses, and Changes in Net Position and for which there are no associated bonds.

(h) Capital Assets

DASNY's capital assets include land, buildings and equipment. Land is reported at its original acquisition cost. Buildings and equipment are stated at cost, less accumulated depreciation determined using the straight line method. DASNY buildings are depreciated over 25 years, building improvements and renovations are depreciated over the remaining life of the building or lease, furniture and equipment are depreciated over 7 to 10 years, financial management system equipment, software and related costs are depreciated over 10 years, and other computer equipment and software are

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March 31, 2022

depreciated over 5 years. Atlantic Avenue's capital assets acquired from Interfaith Medical Center include land and buildings. Land is reported at its original acquisition value. Buildings are stated at cost less accumulated depreciation using the straight line method. Buildings will be depreciated over their remaining lives which range from 4 to 19 years (see note 5).

(i) Deferred Outflows and Inflows of Resources

Deferred outflows of resources are defined as a consumption of net assets by DASNY that is applicable to a future reporting period. Deferred outflows of resources include deferred outflows of resources related to pension and deferred outflows of resources related to postemployment benefits. Deferred outflows of resources related to pension represent changes in actuarial assumptions, such as the discount rate, differences between expected and actual claims experience, differences between projected and actual earnings on plan investments and changes in proportion and proportionate share of contributions and contributions to New York State and Local Employees' Retirement System (ERS) for pension made in the current year subsequent to the measurement date. Deferred outflows of resources related to postemployment benefits represent changes of actuarial assumptions in total OPEB liability as provided by the actuarial report and benefit contributions to New York State Health Insurance Program (NYSHIP) made in the current year subsequent to the measurement date.

Deferred inflows of resources are defined as an acquisition of net assets by DASNY that is applicable to a future reporting period. Deferred inflows of resources include deferred inflows of resources related to pension. Deferred inflows of resources related to pension represent various changes in net pension liability as provided by ERS.

	Deferred outflows of resources	Deferred inflows of resources
OPEB activities	\$ 64,758	10,051
Pension activities	39,720	43,097
Total	\$ 104,478	53,148

(j) Amounts Held for Institutions

Certain public institutions provide monies directly to DASNY to be used for the construction or renovation of capital projects. Monies are also released from trustee accounts to DASNY for rehabilitation and renovation of projects. These monies and related earnings are included in Amounts Held for Institutions in the Statement of Net Position and are restricted for the purpose of making future improvements to projects. Also included in Amounts Held for Institutions are monies received from the State for purposes of helping hospitals in need and improving the healthcare delivery system, as well as, deposits of room rents collected by SUNY campuses to cover debt service and required reserves related to the SUNY Dormitory Facilities Revenue bond program. In addition, the obligation of NGHP to pay costs incurred in connection with properties owned by NGHP, the rent collected from Interfaith Medical Center to pay costs incurred in connection with properties owned by Atlantic Avenue, as well

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March 31, 2022

as the rent collected from NGHP and Interfaith Medical Center to reimburse the State for bonds redeemed are included in Amounts Held for Institutions.

(k) Due to New York State

The State pays construction costs for certain mental health projects managed by other State agencies, and advances funds for various other programs from its short term investment pool (STIP), which are subsequently reimbursed by DASNY from bond or note proceeds, or other funds appropriated to DASNY. The unreimbursed balance of such State advances for construction costs and grant programs is included in Due to New York State in the Statement of Net Position. Patient income receipts related to the State mental health program and rent receipts from tenants leasing State owned mental health facilities which have not yet been remitted to the State are also included in this liability. In addition, unremitted proceeds from the sale of State owned mental health properties are reported in Due to New York State.

(l) Unearned Fees for Services

As provided for in the various financing documents for all programs other than nonprofit health care institutions, independent colleges, universities and other nonprofit institutions, and certain New York State agencies, excess fees collected over expenses incurred relating to DASNY are obligations of DASNY to the institutions. Such amounts are included in the Statement of Net Position in Unearned Fees for Services.

Conversely, any excess of expenses over fees collected are claims of DASNY against the institutions. Such amounts are included in the Statement of Net Position in Other Receivables.

(m) Compensated Absences

Employees accrue vacation at varying rates ranging from 13 days per year to a maximum of 25 days per year. Overtime eligible employees accrue compensatory leave when they work between 37.5 hours and 40 hours in a workweek. A maximum of 225 hours of accrued vacation leave and a maximum of 240 hours of accrued compensatory leave is payable upon separation. Accrued expenses of \$5.0 million were recorded at March 31, 2022 for the estimated obligation for vacation and compensatory leave and are included in Other Long Term Liabilities in the Statement of Net Position. Related receivables of \$4.6 million, representing the portion of the liability allocable to public clients, are included in Other Receivables in the Statement of Net Position at March 31, 2022. In addition, DASNY is holding the remaining portion of the liability in a reserve established by the Board.

(n) Derivative Instruments

As a means to lower borrowing costs for the City and to cost effectively support its strategies to diversify its debt portfolios with a combination of fixed and variable rate debt, at various times, DASNY enters into swap agreements. The related lease and financing agreements between DASNY and the City include provisions that obligate the City, subject to annual appropriation, to pay to DASNY all amounts due in connection with the swap agreements. Such swap repayment terms are considered derivative instruments with terms reciprocal to those of the swap agreements. When analyzed concurrently, because of the reciprocal terms, the swap agreements and the swap repayment terms in the lease and financing agreements with the City are not considered associated with hedgeable items.

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March 31, 2022

Consequently, the swap agreements and the swap repayment terms in the lease and financing agreements are regarded as investment derivatives. Given that the fair value of the swap repayment terms offsets the fair value of the swap agreements and both are reported as investments, there is no net impact on the basic financial statements (see note 8).

(o) Net Position

The amounts reported in Restricted net position are restricted in accordance with the bond and note resolutions for the payment of outstanding bonds and notes and also may be used for the payment of project costs, arbitrage payments to the Internal Revenue Service and costs of issuance. Restricted net position is held for the benefit of the institutions and bondholders. Monies remaining upon retirement of the bonds and notes are returned to the institutions. The amounts reported in Unrestricted net position are either undesignated and available to fund operating expenses or designated for a specific purpose by the Board and are not appropriable for operations (see note 13).

(p) Revenue Recognition

DASNY recognizes revenue when earned. Financing income is recognized as the related interest on bonds and notes is incurred. Fees for services are recognized, and unearned fees for services are amortized, as the related personal service expense of DASNY is incurred.

(q) Income Taxes

DASNY is a component unit of the State of New York and is therefore generally exempt from Federal, State, and local income taxes.

(r) Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting periods.

Significant items subject to such estimates and assumptions include the fair value of investments, the carrying value of capital assets, accrued expenses and other long term liabilities. Actual results could differ from those estimates.

(3) Cash, Cash Equivalents, and Investments

DASNY has a written investment policy that applies to all investments. This policy allows for the following investments:

- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America;
- Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by any agency or instrumentality of the United States of America that are rated in at least the second highest rating category by at least two nationally recognized statistical rating organizations;

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- Certificates or other instruments which evidence the ownership of or the right to receive the payment of the principal and guaranteed interest on obligations, wholly comprised of such obligations listed above;
- Obligations of any state or territory of the United States of America, any political subdivision of any state or territory of the United States of America, or any agency, authority, public benefit corporation or instrumentality of such state, territory or political subdivision, (i)(A) the interest on which is excludable from gross income under Section 103 of the Internal Revenue Code, which is not a “specified private activity bond” within the meaning of Section 57(a)(5) of the Internal Revenue Code (Exempt Obligations), or (B) which qualifies as a “Build America Bond” within the meaning of Section 54AA of the Internal Revenue Code, and (ii) are rated in at least the second highest rating category by at least two nationally recognized statistical rating organizations;
- Shares or interest in a mutual fund, partnership or other fund registered under the Securities Act of 1933, as amended, and operated in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended, whose objective is to maintain a constant share value of \$1.00 per share, that is rated in the highest short term rating category by at least one nationally recognized statistical rating organization, and at the time such investment is made, such fund had a minimum asset value of \$500 million;
- Commercial paper issued by a domestic corporation rated in the highest short-term rating category by at least two nationally recognized statistical rating organizations and having maturities of not longer than 270 days from the date they are purchased;
- Bankers’ acceptances issued by a bank rated in the highest short-term rating category by at least two nationally recognized statistical rating organizations and having maturities of not longer than 365 days from the date they are purchased;
- Collateralized investment agreements; and
- Collateralized or insured certificates of deposit.

In addition, DASNY’s Board and Treasurer may also specifically authorize, as deemed appropriate, other investments that are consistent with DASNY’s investment objectives, and in the case of investments held in the restricted debt accounts of the individual series of bonds and notes, allowed under the provisions of the related bond, or note resolution.

One of the primary objectives of DASNY’s investment policy is to provide sufficient liquidity to meet the purposes for which the funds are being held. The majority of DASNY’s investment portfolio consists of short-term investment securities to achieve its liquidity objective. Consequently, DASNY’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates since the majority of investments are short term in nature. Most investments are held to pay for construction expenditures with maturities based upon expectations of when funds will be used or held on behalf of the various institutions to fund specific reserves or payment of debt service, or held for general operating purposes which generally do not exceed maturities of more than one year. Investment securities maturing beyond five years generally relate to sinking fund installments that are typically invested with maturity dates that coincide with those of the underlying bonds and notes.

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The amount of investments by type and maturity, at March 31, 2022 is presented in the following table. Investment maturity classifications in the table are based on the maturity of the underlying investments, which differs from their classification on the Statement of Net Position. Investments reported as current on the Statement of Net Position generally have maturities of one year or less, unless they are restricted by the underlying bond and note resolutions and are expected to be reinvested upon maturity, or the proceeds at maturity are generally used to support construction activities, in which case they are reported as investments, other than current.

Investments reported as current on the Statement of Net Position at March 31, 2022 include \$382 million for debt service payments to be made in the fiscal year ended March 31, 2023 which is restricted by the underlying bond and note resolutions. Also included in investments reported as current at March 31, 2022 are investments held for DASNY operations, nonbond related capital projects and rehabilitation and renovation of projects totaling \$203 million.

Investment type	Amount (In thousands)	Percentage of total	Maturities (in years)		
			Less than 1	1-5	More than 5
Recorded at fair value:					
Obligations of the United States					
Government:					
U.S. Treasury notes/bonds	\$ 3,691,729	64.4 %	\$ 3,544,909	114,569	32,251
U.S. Treasury bills	1,498,540	26.1	1,498,540	—	—
	<u>5,190,269</u>	<u>90.5</u>	<u>5,043,449</u>	<u>114,569</u>	<u>32,251</u>
Federal agency, notes and debentures:					
Federal National Mortgage Association (FNMA)	75,864	1.3	—	75,864	—
Federal Home Loan Bank (FHLB)	421,345	7.4	421,345	—	—
Federal Home Loan Mortgage Corp. (FHLMC)	27,317	0.5	27,317	—	—
	<u>524,526</u>	<u>9.2</u>	<u>448,662</u>	<u>75,864</u>	<u>—</u>
Recorded at cost:					
Certificates of indebtedness	11,432	0.2	6,233	5,199	—
Certificates of deposit	3,800	0.1	3,800	—	—
Repurchase Agreements	902	—	902	—	—
	<u>16,134</u>	<u>0.3</u>	<u>10,935</u>	<u>5,199</u>	<u>—</u>
Total	<u>\$ 5,730,929</u>	<u>100.0 %</u>	<u>\$ 5,503,046</u>	<u>195,632</u>	<u>32,251</u>

Investment credit risk is the risk that an issuer or other counterparty will not fulfill its obligations.

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Federal Agency notes and debentures are issued by Government Sponsored Enterprises (GSEs), which carry the implicit guarantee of the United States federal government. At March 31, 2022, DASNY held approximately \$525 million in agency securities issued by several GSEs, all of which are rated in at least the second highest rating category by at least two of the nationally recognized statistical rating organizations.

A portion of DASNY's investment portfolio is invested in several money market funds, which are open ended mutual funds that invest in short term debt securities and whose objective is to carry a net asset value (NAV) of \$1.00, allowing for withdrawals equal to the amount of the original deposit plus an allocable portion of any interest that may have been earned by the fund. These funds are reflected in the Statement of Net Position as a component of Cash and Cash Equivalents. DASNY's investment policy requires at the time of investment, each fund have a minimum asset value of \$500 million and be rated in the highest short-term rating category by at least one nationally recognized statistical rating organization. At March 31, 2022, DASNY held approximately \$5.8 billion in investments of this type which were all rated in the highest short-term rating category by at least one nationally recognized statistical rating organization.

Custodial credit risk for deposits is the risk that in the event of a bank failure, DASNY's deposits may not be returned. DASNY's deposit policy for custodial credit risk includes minimum equity and rating requirements of trustee and custodian banks. Certain deposits held in DASNY bank accounts are collateralized with securities held by custodian banks and certain are insured by federal depository insurance. As of March 31, 2022, DASNY had bank deposits of \$185 million of which \$152 million were uninsured and uncollateralized. The uninsured cash balances were primarily the result of amounts temporarily held pending debt repayment, disbursement, or investment. Of the collateralized portion, \$23 million is held in disbursement accounts pending check clearance and is not reflected in the Cash and Cash Equivalents balance in the Statement of Net Position.

Concentration of credit risk is the risk of loss attributed to the magnitude of DASNY's investment in a single issuer. DASNY's investment policy places no limit on the amount it may invest in any one issuer; however, DASNY does establish minimum ratings requirements for each underlying issuer other than the United States Government where they are generally required to be rated in no less than the second highest rating category by at least 2 nationally recognized statistical rating organizations. As of March 31, 2022, DASNY had more than 5% of its investments in Federal Home Loan Bank (FHLB) securities. These investments were 7.4% of the total investment portfolio as of March 31, 2022.

DASNY uses an independent pricing source to determine the fair value of its investments. DASNY categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. This three-tiered fair value hierarchy is based on the valuation inputs used to measure the fair value of the assets as follows:

Level 1: Investments' fair value based on quoted prices for identical assets in active markets;

Level 2: Investments' fair value based on observable inputs which may include quoted prices for identical assets in markets not considered to be active, and quoted prices of similar assets in active or inactive markets; and

Level 3: Investments' fair value based on unobservable inputs.

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At March 31, 2022, DASNY had the following fair value measurements (in thousands):

	<u>March 31, 2022</u>	<u>Fair value measurement using</u>	
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
Investments by fair value level:			
U.S. Treasuries	\$ 5,190,269	63,055	5,127,214
Federal agencies	524,526	—	524,526
Money market mutual funds	<u>5,834,553</u>	<u>5,834,553</u>	<u>—</u>
Total investments measured at fair value	<u>\$ 11,549,348</u>	<u>5,897,608</u>	<u>5,651,740</u>

DASNY has no investments classified in the Level 3 category.

Investments classified in Level 1 are valued using prices quoted in active markets and daily publicly published prices for those securities. Those classified in Level 2 are valued using the following approaches:

- U.S. Treasuries: quoted prices for identical securities in markets that are not active; and
- Federal Agencies: matrix pricing based on the securities' relationship to benchmark quoted prices.

(4) Leases and Loans Receivable

Leases and Loans Receivable represents amounts due in accordance with various financing agreements relating to the utilization of bond proceeds on projects.

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Leases and Loans Receivable at March 31, 2022 consisted of the following (dollars in thousands):

	State related debt	Conduit debt publicly offered	Conduit debt direct placement	Total
Minimum payments to be received during the fiscal years ending March 31:				
2023	\$ 2,305,770	1,638,754	91,175	4,035,699
2024	2,200,108	1,585,562	89,049	3,874,719
2025	2,126,525	1,513,957	85,203	3,725,685
2026	2,571,322	1,494,832	85,607	4,151,761
2027	2,008,205	1,508,768	84,428	3,601,401
Thereafter	<u>44,527,559</u>	<u>20,587,196</u>	<u>1,701,127</u>	<u>66,815,882</u>
Total minimum payments receivable	55,739,489	28,329,069	2,136,589	86,205,147
Less future financing income, unexpended bond proceeds, and other credits	<u>22,778,353</u>	<u>11,540,396</u>	<u>491,421</u>	<u>34,810,170</u>
Total leases and loans receivable, net	32,961,136	16,788,673	1,645,168	51,394,977
Less current leases and loans receivable, net	<u>621,343</u>	<u>1,580,872</u>	<u>62,400</u>	<u>2,264,615</u>
Long-term leases and loans receivable, net	<u>\$ 32,339,793</u>	<u>15,207,801</u>	<u>1,582,768</u>	<u>49,130,362</u>

Leases and loans receivable financed by bonds and notes are collectible through periodic payments. The collection of this receivable from institutions is dependent on the ability of each institution to generate sufficient resources to service its bonds and notes. For hospitals and nursing homes, this is predicated in large part on their ability to obtain Medicare, Medicaid, or other third party reimbursement rates sufficient to offset operating costs. For higher education institutions, this is predicated in large part on their ability to maintain enrollment and tuition at levels adequate to offset operating costs. For certain public institutions, payment is dependent upon annual appropriation. In certain situations, various credit structures are in place to reduce the risk of nonpayment to bondholders should an institution be unable to pay its debt service (see note 7). Based on continuous monitoring of collectability, it has been determined that there is no need to establish reserves for loan losses at March 31, 2022.

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(5) Capital Assets

Capital assets, net at March 31, 2022 consisted of the following (dollars in thousands):

	<u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>2022</u>
Capital assets:				
Land:				
DASNY	\$ 1,083	—	—	1,083
Atlantic Avenue	715	—	—	715
Buildings:				
DASNY	23,388	—	—	23,388
Atlantic Avenue	34,366	—	(2,597)	31,769
Equipment – DASNY	18,858	939	—	19,797
Total capital assets	<u>78,410</u>	<u>939</u>	<u>(2,597)</u>	<u>76,752</u>
Less accumulated depreciation:				
DASNY	28,166	884	—	29,050
Atlantic Avenue	16,820	1,372	(886)	17,306
Total accumulated depreciation	<u>44,986</u>	<u>2,256</u>	<u>(886)</u>	<u>46,356</u>
Capital assets, net	<u>\$ 33,424</u>	<u>(1,317)</u>	<u>(1,711)</u>	<u>30,396</u>

Depreciation expense is included in Maintenance and Operations expense in the Statement of Revenues, Expenses, and Changes in Net Position.

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(6) Long-Term Liabilities

DASNY's long-term liabilities as of March 31, 2022, including the current portion, are comprised of the following (in thousands):

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Bonds and notes payable	\$ 58,977,399	8,987,273	(8,318,484)	59,646,188	2,932,512
Other long-term liabilities:					
Accrued retainage	\$ 45,097	16,221	(18,940)	42,378	4,406
Compensated absences	5,259	—	(233)	5,026	—
Total OPEB liability	228,594	68,256	(5,166)	291,684	—
Net pension liability	40,294	9,235	(49,383)	146	—
Other	630	44	(90)	584	—
Total other long-term liabilities	<u>\$ 319,874</u>	<u>93,756</u>	<u>(73,812)</u>	<u>339,818</u>	<u>4,406</u>
Due to New York State	\$ 994,419	4,176,465	(3,584,296)	1,586,588	1,573,950
Amounts held for institutions	\$ 518,466	916,437	(790,312)	644,591	196,628

(7) Bonds and Notes Outstanding

(a) Description of Bonds and Notes

Bonds and notes are special obligations of DASNY payable solely from payments required to be made by or for the account of the institution for which the particular special obligations were issued. Such payments are pledged or assigned to the trustees for the holders of the respective special obligations. DASNY has no obligation to pay its special obligations other than from such payments.

Summarized, by program and bond resolution, the schedule below details assets pledged as collateral, events of default, termination events, and subjective acceleration clauses that have finance-related consequences relevant to outstanding bonds and notes. All outstanding bonds and notes not identified

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as conduit debt are categorized as State related debt. This includes debt for the State University, City University, and New York State agencies detailed below (dollars in thousands).

	<u>Bonds and Notes Outstanding</u>	<u>Assets Pledged as Collateral</u>	<u>Events of Default</u>	<u>Termination Events</u>	<u>Subjective Acceleration Clauses</u>
Healthcare Facilities:					
Conduit debt publicly offered	\$ 3,775,905	NA	NA	NA	NA
Conduit debt direct placement	<u>374,404</u>	NA	NA	NA	NA
Total Healthcare Facilities	<u>4,150,309</u>				
Independent Institutions:					
Conduit debt publicly offered	10,632,550	NA	NA	NA	NA
Conduit debt direct placement	<u>1,108,665</u>	NA	NA	NA	NA
Total Independent Institutions	<u>11,741,215</u>				
State University:					
Dormitory Facilities (Resolution dated 5/15/13)	1,917,487	(1)	(9)	(11)	(12)
Educational Facilities (Resolution dated 5/31/89)	1,635	(2)	(9)	(11)	(12)
Educational Facilities (Resolution dated 9/4/02)	102,485	(2)	(9)	(11)	(12)
Educational Facilities (PIT Education Resolution dated 7/24/02)	92,965	(3)	(10)	(11)	(13)
Educational Facilities (PIT General Purpose Resolution dated 4/29/09)	7,127,325	(3)	(10)	(11)	(13)
Educational Facilities (Sales Tax Resolution dated 9/11/13)	1,818,140	(4)	(10)	(11)	(13)
Upstate Community Colleges (Resolution dated 1/26/05)	14,355	(5)	(9)	(11)	(12)
Upstate Community Colleges (PIT Education Resolution dated 7/24/02)	6,280	(3)	(10)	(11)	(13)
Upstate Community Colleges (PIT General Purpose Resolution dated 4/29/09)	520,425	(3)	(10)	(11)	(13)
Upstate Community Colleges (Sales Tax Resolution dated 9/11/13)	<u>197,240</u>	(4)	(10)	(11)	(13)
Total State University	<u>11,798,337</u>				
City University:					
City University (Resolution dated 1/22/03)	22,835	(6)	(9)	(11)	(12)
City University (PIT Education Resolution dated 7/24/02)	59,900	(3)	(10)	(11)	(13)
City University (PIT General Purpose Resolution dated 4/29/09)	3,840,465	(3)	(10)	(11)	(13)
City University (Sales Tax Resolution dated 9/11/13)	<u>1,014,305</u>	(4)	(10)	(11)	(13)
Total City University	<u>\$ 4,937,505</u>				

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	<u>Bonds and Notes Outstanding</u>	<u>Assets Pledged as Collateral</u>	<u>Events of Default</u>	<u>Termination Events</u>	<u>Subjective Acceleration Clauses</u>
New York State Agencies:					
Department of Health (Resolution dated 7/18/90)	\$ 88,320	(7)	(9)	(11)	(12)
Multiple Purposes (PIT Education Resolution dated 7/24/02)	192,045	(3)	(10)	(11)	(13)
Multiple Purposes (PIT General Purpose Resolution dated 4/29/09)	16,979,545	(3)	(10)	(11)	(13)
Multiple Purposes (Sales Tax Resolution dated 9/11/13)	5,473,260	(4)	(10)	(11)	(13)
Employer Assessment (Resolution dated 10/9/13)	<u>267,875</u>	(8)	(9)	(11)	(14)
Total New York State Agencies	<u>23,001,045</u>				
Municipal Facilities:					
Conduit debt publicly offered	3,870,521	NA	NA	NA	NA
Conduit debt direct placement	<u>147,256</u>	NA	NA	NA	NA
Total Municipal Facilities	<u>4,017,777</u>				
Total Bonds and Notes Outstanding	<u>\$ 59,646,188</u>				

Footnotes for the column identified as Assets Pledged as Collateral

- (1) Dormitory Facilities Revenue Fund held by the State's Commissioner of Taxation and Finance where all revenues (rents, fees, charges) are deposited.
- (2) Secured by a pledge of all revenues received by the State University Construction Fund, as well as an annual State appropriation.
- (3) Effective April 1, 2018, a statutory allocation of 50% (previously 25%) of State of New York personal income tax receipts are deposited into the Revenue Bond Tax Fund which is held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller. Also added was a requirement to deposit 50% of the New York State Employer Compensation Expense Program receipts and 50% of the New York State Pass-Through Entity Tax receipts as additional revenue sources. Annual State appropriations are required prior to any payments out of the account. Should the balance be insufficient to make financing agreement payments that have been appropriated, the State Comptroller is required to transfer from the State's General Fund amounts necessary to meet the cash requirements.
- (4) Initially a statutory allocation of 1% of New York State sales tax receipts are deposited in the Sales Tax Revenue Bond Tax Fund which is held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller. The 1% allocation of sales tax receipts will be increased to 2% once all New York Local Government Assistance Corporation bonds have been redeemed or defeased which is expected to occur on or before April 1, 2025.
- (5) Community College Tuition and Instructional Income Fund held by the State's Commissioner of Taxation and Finance where all monies appropriated annually by the State are to be deposited.

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- (6) Secured by a pledge of all revenues received by the City University Construction Fund and an annual State and City appropriation.
- (7) Health Income Fund held by the State Comptroller where all patient care revenues are required to be deposited, as well as an annual State appropriation. The State Comptroller is required to maintain an amount sufficient to meet the next succeeding six months financing obligations before transferring the balance to the medical care facilities.
- (8) Secured by a pledge of assessments pursuant to the Worker's Compensation Law. Bondholders are pledged to receive the first assessment monies received from employers each year until the annual debt service commitment has been reached.

Footnotes for the column identified as Events of Default

- (9) Failure to make timely payment of amounts due and meeting all bond covenants, conditions, agreements, and provisions in the respective resolutions; or tax exempt bonds have been deemed taxable.
- (10) There are no events of default that cause additional financial consequences. Bondholders continue to be entitled to receive all principal and interest that is due.

Footnotes for the column identified as Termination Events

- (11) There are no termination events relevant to State related debt with financial consequences for DASNY.

Footnotes for the column identified as Subjective Acceleration Clauses

- (12) Upon the written request of bondholders of not less than 25% in principal outstanding, the Trustee may declare all principal and interest on the outstanding bonds to be due immediately after a thirty day notice period.
- (13) The bond resolution does not permit the trustee or bondholders to declare the bonds immediately due and payable. Bondholders of not less than a majority in aggregate principal amount of bonds outstanding may bring an action or suit to enforce the rights of the bondholders.
- (14) The bond resolution does not permit the trustee or bondholders to declare the bonds immediately due and payable. Bondholders of not less than 25% in principal amount of bonds outstanding may bring an action or suit to enforce the rights of the bondholders.

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DASNY debt includes approximately \$19.91 billion of conduit debt obligations, which includes \$1.63 billion in direct placements, issued on behalf of the State of New York for private entities and municipal facilities that contain various provisions of events of default, termination events, and subjective acceleration clauses. Conduit debt is secured by revenues of the institution, and in some cases additionally secured by bond insurance, letters of credit, and property liens that would be utilized to pay off such obligations and result in DASNY having no further financial related consequences. Therefore, conduit debt identified in the above table within the categories of Healthcare Facilities, Independent Institutions, and Municipal Facilities and the columns representing assets pledged as collateral, events of default, termination events, and subjective acceleration clauses are marked as not applicable (NA).

In addition, certain bond and note issues include credit enhancements. The following summarizes bonds and notes outstanding on March 31, 2022 by primary security feature (dollars in thousands):

	<u>State related debt</u>	<u>Conduit debt publicly offered</u>	<u>Conduit debt direct placement</u>	<u>Total</u>
Backed by letters of credit	\$ —	181,435	—	181,435
Insured by municipal bond insurance	—	1,814,705	—	1,814,705
Backed by mortgages insured by the State of New York Mortgage Agency	—	34,170	—	34,170
Backed by mortgages insured by agencies of the federal government	—	263,440	—	263,440
Payable from State and local government appropriations, state service contracts or designated income funds	37,551,525	689,846	125,500	38,366,871
Backed by pledged assets and revenues or payments	<u>2,185,362</u>	<u>15,295,380</u>	<u>1,504,825</u>	<u>18,985,567</u>
Total	<u>\$ 39,736,887</u>	<u>18,278,976</u>	<u>1,630,325</u>	<u>59,646,188</u>

Publicly offered fixed rate, directly placed fixed rate, publicly offered variable rate bonds and notes, and directly placed variable rate bonds are due in various installments through fiscal year ending March 31, 2054. Publicly offered fixed rate bonds bear interest at rates currently ranging from .25% per annum to 5.75% per annum. Directly placed fixed rate bonds bear interest at rates currently ranging from 2.22% per annum to 6.375% per annum. Publicly offered variable rate bonds and notes bear interest at rates currently ranging from .13% per annum to .79% per annum. Directly placed variable rate bonds bear interest at rates currently ranging from .184% per annum to 6.25% per annum.

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As of March 31, 2022, DASNY had a total of \$756 million outstanding variable rate demand bonds, of which \$160 million was secured by direct pay bank letters of credit, \$206 million was secured by appropriations or by pledged assets and revenues or by payments of the respective clients and with liquidity provided by standby purchase agreements, \$128 million was secured by agencies of the federal government, and \$263 million (includes \$0 direct placement bonds) was secured by pledged assets and revenues or by payments of the respective clients acting as their own liquidity provider.

The variable rate demand bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest upon notice and delivery (tender) of the bonds to the remarketing agent being provided within a period of time as specified under the respective bond documents. The remarketing agent is required to use its best efforts to sell the repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate. For those bonds secured by a direct pay letter of credit, the trustee is required to draw an amount sufficient to pay the purchase price of bonds delivered to it and to reimburse the letter of credit provider from monies available from remarketing and from monies held under the bond resolution. The direct pay letters of credit relevant to variable rate bonds expire at various times through April 25, 2029. For those bonds with liquidity provided by a standby bond purchase agreement, secured by an agency of the federal government, or where the conduit borrower is acting as its own liquidity provider, the trustee is required to draw from monies held under the bond resolution or from the liquidity provider an amount sufficient to pay the purchase price of bonds delivered to it which are unable to be remarketed. The standby bond purchase agreements expire at various times through January 14, 2025.

DASNY issues debt on behalf of both public, primarily the State, and private institutions. DASNY has elected the option under GASB Interpretation No. 2, *Disclosure of Conduit Debt Obligations*, to report conduit debt, primarily issued on behalf of private institutions, in its basic financial statements. In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, as amended, DASNY is included in the financial statements of the State as a discretely presented component unit. As such, bonds issued on behalf of the State are not considered conduit debt. Under GASB Interpretation No. 1, *Demand Bonds Issued by State and Local Governmental Entities*, variable rate demand bonds should be reported as long term debt if certain conditions are met; otherwise, they should be reported as a current liability. In the case of its conduit variable rate demand bonds, DASNY is not a party to the liquidity or takeout agreement with the provider. All liquidity provider fees are paid directly by the conduit borrower and are not DASNY's obligation, and, in some cases, the conduit borrower acts as its own liquidity provider. Such bonds, and the related leases and loans receivable, are classified as current on the Statement of Net Position. All variable rate demand bonds, and the related leases and loans receivable, are disclosed in note 7(b) Maturities of Bond and Notes and note 4 Leases and Loans Receivable. As of March 31, 2022, approximately \$756 million of variable rate demand bonds were classified as current on the Statement of Net Position plus an additional \$10 million direct placement bonds.

Certain bonds and notes have the respective institution's cash and investments, surety bonds, or letters of credit pledged to collateralize certain reserve requirements and are not included in the

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Statement of Net Position. As of March 31, 2022, the amounts pledged are as follows (dollars in thousands):

		Conduit debt publicly offered

Surety bonds	\$	97,230
Letters of credit		7,500

	\$	104,730

Under certain circumstances, if the credit ratings of the surety bond provider fall below a certain level, the related reserve funds are required to be funded with cash and investments, deposits of which are to be made by the ultimate obligor on the bonds in ten equal semiannual installments beginning on the first day of the bond year following such downgrade. As of March 31, 2022, the credit ratings of three surety bond providers, who had issued a total of \$29 million in surety bonds, had fallen below the level requiring such actions, and deposits have been made to the related debt service reserve funds. There are no similar provisions under the terms of letters of credit. If the rating of the letter of credit provider is downgraded, the ratings on the related bonds may be downgraded.

(b) Maturities of Bonds and Notes

Maturities of bonds and notes are as follows (dollars in thousands):

	State related debt principal	State related debt interest	Conduit debt publicly offered principal	Conduit debt publicly offered interest	Conduit debt Direct placement principal	Conduit debt direct placement interest	Total
Fiscal year ends March 31:							
2023	\$ 1,289,240	1,746,904	843,147	801,853	53,420	37,755	4,772,319
2024	1,306,760	1,692,955	830,371	760,396	52,329	36,720	4,679,531
2025	1,527,150	1,632,787	798,469	715,488	49,807	35,396	4,759,097
2026	2,150,485	1,569,353	816,027	678,805	51,517	34,090	5,300,277
2027	2,103,620	1,475,255	868,718	640,050	51,657	32,771	5,172,071
2028–2032	10,084,760	5,952,054	4,024,670	2,628,866	346,679	138,788	23,175,817
2033–2037	8,090,803	3,857,815	3,303,784	1,775,858	341,533	96,418	17,466,211
2038–2042	6,346,632	2,227,090	2,709,740	1,125,893	206,324	56,069	12,671,748
2043–2047	4,857,132	979,215	1,926,890	689,270	294,825	30,275	8,777,607
2048–2052	1,980,305	151,753	1,983,470	236,836	81,789	7,648	4,441,801
2053–2057	—	—	173,690	8,229	100,445	334	282,698
Total	\$ 39,736,887	21,285,181	18,278,976	10,061,544	1,630,325	506,264	91,499,177

Bonds and notes maturing during the fiscal year ending March 31, 2023 as shown in the table above do not correspond to the amount reported as the current portion of bonds and notes outstanding in the Statement of Net Position due to a difference in classification of certain variable rate demand

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obligations. The amount reflected above is based on the stated maturity dates for all bonds and notes outstanding while the current portion of bonds and notes outstanding in the Statement of Net Position also includes the entire principal amount outstanding of variable rate demand obligations issued on behalf of DASNY's conduit borrowers as well as those variable rate demand obligations relevant to public programs that have liquidity agreements expiring during the upcoming fiscal year and private placement bonds in term rate mode with a mandatory tender during the upcoming fiscal year.

Interest reflected above for variable rate debt was projected using the interest rates in effect as of March 31, 2022.

(c) Tax-Exempt Leasing Program

DASNY offers a tax exempt leasing program (TELP) that utilizes DASNY's tax exempt financing authority. In a TELP lease, DASNY, as the lessee, subleases the equipment to the borrower and thereafter has no security interest in the equipment. The repayments are assigned to and made directly to the lessor. The repayments are nontaxable income to the lessor. The leases do not constitute DASNY or State debt. Since DASNY assigns both its security interest in the equipment and its rights to receive sublease repayments to the lessor, and DASNY has no active role in managing or administering the leases, the TELP leases are not included in the Statement of Net Position. The total amount of TELP leases outstanding as of March 31, 2022 was approximately \$221 million.

(8) Derivative Instruments

Section 2926 of the Public Authorities Law authorizes DASNY to enter into swap agreements up to certain limits in connection with bonds and notes issued on behalf of a municipality for court facilities and combined occupancy structures and bonds and notes issued on behalf of a municipality for health facilities. Pursuant to these authorizations, as a means to lower borrowing costs for the City and to cost effectively support their strategies to diversify their debt portfolios with a combination of fixed and variable rate debt, at various times, DASNY enters into swap agreements. The lease and financing agreements entered into by DASNY with the City include terms that obligate the City, subject to annual appropriation, to pay to DASNY all amounts due in connection with these swap agreements and obligate DASNY to pay the City any amounts received in connection with the swap agreements. These swap repayment terms in the lease and financing agreements are considered derivative instruments with terms reciprocal to those of the swap agreements. When analyzed concurrently, because of the reciprocal terms, the swap agreements and the swap repayment terms in the lease and financing agreements with the City are not considered to be associated with hedgeable items. Consequently, the swap agreements and the swap repayment terms in the lease and financing agreements are regarded as investment derivatives.

On March 31, 2022, DASNY had a total of 2 pay-fixed, receive-variable City swap agreements outstanding with a total notional amount of \$125.5 million and a negative fair value of \$25 million and reciprocal swap repayment terms in lease and financing agreements with like values.

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The table below summarizes the fair values, notional amounts and changes in fair value of derivative instruments outstanding as of March 31, 2022. Bracketed amounts denote negative values.

<u>Type of derivative instrument</u>	<u>Notional amounts (In thousands)</u>	<u>Fair value classification</u>	<u>Swap fair value (In thousands)</u>	<u>Change in fair value classification</u>	<u>Change in fair value (In thousands)</u>
Investment derivatives:					
Pay-fixed, receive-variable swaps:					
Swap agreements	\$ 125,500	Investment	\$ (25,366)	Investment income	\$ 6,141
Pay-variable, receive-fixed swaps:					
Lease and financing agreements	125,500	Investment	25,366	Investment income	(6,141)
Grand total			<u>\$ —</u>		<u>\$ —</u>

Fair value – The fair values of the swap agreements and the swap repayment terms in the lease and financing agreements were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the agreements, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the agreements. The inputs used in the fair value measurement of the derivative investments are Level 2 category.

Credit risk – As of March 31, 2022, DASNY was not exposed to credit risk on the swap agreements with \$25 million relevant to the City swap agreements. Since changes in interest rates affect the fair values of swap agreements, it is possible that swap agreements with negative fair values become positive, and that swap agreements with positive fair values increase in value, which would expose DASNY to increased credit risk. DASNY’s potential credit risk on the swap agreements is reduced due to the lease and financing agreements in place that obligate the City to pay DASNY, subject to annual appropriation, all amounts due in connection with the swap agreements. Certain swap agreements include setoff provisions should a swap agreement terminate. These setoff provisions permit, at DASNY’s option, or in some cases, at the option of the nondefaulting or nonaffected party, all swap agreements with the given counterparty related to the bonds to terminate and to net the transactions’ fair values so that a single sum will be owed by, or owed to, DASNY. Should the counterparties fail to perform according to the terms of the swap contracts, as of March 31, 2022, DASNY faces a maximum credit risk exposure related to the swaps’ net positive fair value of \$0.

As of March 31, 2022, DASNY was exposed to credit risk on the swap repayment terms with \$25 million for the City swap agreements because the City’s obligations under the lease and financing agreements are subject to annual appropriation.

DASNY guidelines require that, for swap agreements entered into under the provisions of Section 2926 of the Public Authorities Law, counterparties have credit ratings from at least two nationally recognized statistical rating agencies that are within the three highest investment grade categories, or the payment obligations of the counterparty are unconditionally guaranteed by an entity with such credit ratings. In the event that a counterparty’s ratings are reduced below certain ratings thresholds, the counterparty is required to comply with the collateral requirement provisions whereby the counterparty will be required to

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post collateral in an amount equal to 102% of the swap termination value under certain conditions. Collateral is required to be posted at any time that the counterparty does not have at least one rating in the second highest rating category, or any of the ratings assigned to the counterparty are below the three highest rating categories, and credit exposure exists on the valuation date. DASNY monitors the values of the related swap agreements on a daily basis to determine if collateral is required to be posted. As of March 31, 2022, there was no requirement for collateral to be posted. Collateral on all swap agreements related to City supported bonds may be held by either a third-party custodian or DASNY. All collateral may be in the form of direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, or other securities permitted by law and agreed upon in writing by DASNY and the counterparty.

The credit ratings for DASNY's counterparties on March 31, 2022 are as follows:

	Moody's	S&P	Fitch
Counterparties:			
Goldman Sachs Mitsui Marine			
Derivative Products, L.P.	Aa2	AA-	N/A
JPMorgan Chase Bank	Aa2	A+	AA
New York City General Obligations	Aa2	AA	AA-

(9) Debt Refundings

DASNY has issued bonds on behalf of various institutions to defease existing revenue bonds. Under the terms of the resolutions for the defeased bonds, investments have been deposited in irrevocable trusts with trustee banks to provide sufficient amounts to be used solely for the payment of scheduled debt service on these bonds. As a result, the refunded bonds, certain of which are still held by investors, are considered to be defeased pursuant to the applicable bond resolutions and the liabilities for those bonds and related investments have been removed from the Statement of Net Position. As of March 31, 2022, outstanding revenue bonds of approximately \$5.7 billion (includes \$0 direct placement bonds) were considered defeased under existing accounting standards; accordingly, such bonds and the related investments placed in trust are not included in the basic financial statements.

The refundings during the fiscal year ended March 31, 2022, involved the issuance of fixed rate and variable rate bonds to refund previously issued fixed and variable rate bonds. The refundings totaled \$2.8 billion par value of bonds (new bonds), which includes \$79.0 million of direct placement par, to refund \$3.2 billion par value of outstanding bonds (refunded bonds), (includes \$55.8 million of direct placement par). The proceeds of \$3.2 billion (includes \$78.2 million of direct placement bonds) from the sale of new bonds, including net original issue premium, plus \$54.0 million of refunded bond monies and deposits from institutions, (includes \$0.7 million direct placement bonds), were deposited in irrevocable trusts (escrow accounts and in certain cases, redemption accounts) and used to purchase United States Government securities as described above. The new bonds also funded reserve requirements and provided for costs of issuance.

The fixed rate refundings included the issuance of \$2.4 billion par value (\$23.3 million direct placement bonds) for new fixed rate bonds with an average interest rate of 3.52% to refund \$2.6 billion par value of

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outstanding fixed rate bonds (\$0 direct placement par) with an average interest rate of 4.62%. The proceeds of \$2.7 billion (\$23.1 million direct placement proceeds) from the sale of new fixed rate bonds, including net original issue premium, plus an additional \$35.1 million of refunded fixed rate bond monies (\$0 direct placement bonds) and deposits from institutions, were used to fund the related escrow accounts and in certain cases, redemption accounts. These fixed rate refundings resulted in a decrease of \$458.5 million (\$0 direct placement bonds) in aggregate future debt service payments and a net present value economic gain of \$435.7 million (\$0 direct placement bonds) for the fiscal year ended March 31, 2022.

The remaining refundings involved either the issuance and/or the refunding of variable rate bonds and included a total issuance of \$480.5 million par value (includes \$55.6 million of direct placement par) of new bonds to refund \$538.0 million par value (includes \$55.8 million of direct placement par) of outstanding bonds. The proceeds of \$519.7 million (includes \$55.1 million of direct placement proceeds) from the sale of these bonds, including net original issue premium, plus an additional \$19.0 million of refunded bond monies and deposits from institutions (\$0.7 million direct placements), were used to fund the related escrow accounts and in certain cases, redemption accounts. Since these refundings involved variable rate bonds, neither the difference between the cash flows required to service the new bonds and those required to service the refunded bonds, nor the present value gain or loss can be reasonably determined as of March 31, 2022.

(10) Commitments and Contingencies

(a) Litigation

DASNY has been named as a defendant in various pending actions which seek to recover damages for alleged wrongful death, personal injuries, loss of service or medical expenses, and violation of civil rights. There are other pending or threatened actions or matters with regard to breach of contract, retained percentages, damages, work at certain projects, liens filed with DASNY, and other claims involving DASNY contracts. It is management's opinion, based upon the advice of General Counsel, that these pending or threatened matters are covered either by DASNY's insurance program, surety bonds filed with DASNY, indemnification from the State or its agencies and municipalities under applicable statutes or other agreements (subject to the availability of funds), are recoverable from institutions, or DASNY has sufficient resources to meet any potential liability associated with such pending or threatened actions or matters and, therefore, could not be deemed to have a material adverse effect on DASNY.

(b) Construction Commitments

In the normal course of business, DASNY enters into various commitments for construction costs. Such commitments, when added to the costs already incurred, are not expected to exceed the total amount of indebtedness issued and other available funding, including future authorized bond issues. Commitments for future construction costs totaled approximately \$1.8 billion at March 31, 2022.

(c) Risk Management

DASNY is exposed to various risks of loss, including torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; accidents; and natural disasters. DASNY maintains commercial insurance coverage, subject to certain limits and deductible/retention provisions,

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for each of these risks of loss through the purchase of general liability, excess liability, property, builder's risk, directors' and officers' liability, blanket crime, business travel accident, auto liability, and workers compensation insurance policies.

(11) Retirement Plans

(a) New York State and Local Employees' Retirement System

(i) Description of Plan

DASNY participates in the ERS and the Public Employees' Group Life Insurance Plan (the Systems) administered by the New York State and Local Retirement System. These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller promulgates rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their monies. The Systems issue a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12236 or on the Comptroller's website at www.osc.state.ny.us/pension. For financial reporting purposes, the Systems are presented on an aggregated basis.

(ii) Benefits

The classes of employees covered under the ERS range from Tiers 1-6. In order to be eligible for retirement, all members must be at least age 55 and have a minimum of 5 years of service for Tiers 2-4, and 10 years of service for Tiers 5 and 6. There is no minimum service requirement for Tier 1 members. Generally, all members are eligible for early retirement at age 55 with a benefit calculation of 1.67% of final average salary for each year of service. Benefit calculations for Tiers 1 and 2 members with greater than 20 years of service credit, or Tiers 3-5 members between 20 and 30 years of service credit, is 2.0% of final average salary for each year of service. Tier 3-5 members are eligible for an additional 1.50% of final average salary applied to each year of service over 30 years. Generally, Tier 6 member retirement benefits are 1.75% of final average salary for each year of service for members with 20 years of service, with an additional 2.0% of final average salary for each year of service over 20 years. For Tiers 1-5, final average salary is the average of the wages earned in the three highest consecutive years of employment. Tier 6 final average salary is the average of the wages earned in the five highest consecutive years of employment.

Other benefits provided under the ERS include: ordinary disability, accidental disability, and post-retirement benefit increases.

(iii) Funding Policy

Funding of the Systems is accomplished through member and employer contributions and investment earnings, according to the New York State Retirement and Social Security Law.

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Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining on or after July 27, 1976 and before January 1, 2010 who have less than 10 years of service or membership are required to contribute 3% of salary. Those joining on or after January 1, 2010, and before April 1, 2012, are required to contribute 3% throughout active service. Persons joining on or after April 1, 2012, are required to contribute between 3% and 6% throughout active service. Employers are required to contribute at an actuarially determined rate. Fully contributed average employer contribution rate for the Tiers of 14.7% was applicable to the annual covered payroll for the year ended March 31, 2021. DASNY's required contribution for the fiscal year ended March 31, 2022 was \$8.4 million and was 100% of the contribution required.

(iv) *Net Pension Liability*

DASNY's proportionate share of the Systems' net pension liability reported as of March 31, 2022 was \$0.1 million. The net pension liability was measured as of March 31, 2021. DASNY's proportion of the net pension liability was based on DASNY's projected long term contribution effort compared to the projected total long term contribution effort of all employers in the Systems. At March 31, 2021, DASNY's proportion of the net pension liability was 0.15%, down slightly from the percentage at the March 31, 2020 measurement date.

For purposes of measuring the net pension liability and related pension amounts, information about the fiduciary net position of the Systems and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms and investments are reported at fair value.

(v) *Actuarial Information*

The total pension liability for the March 31, 2021, measurement date was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. This actuarial valuation used the following assumptions:

Actuarial cost method	Entry age normal
Inflation	2.7 percent
Salary scale	4.4 percent indexed by service
Investment rate of return, including inflation	5.9 percent compounded annually, net of investment expenses
Cost of living adjustments	1.4 percent annually
Decrements	Developed from the Plan's 2020 experience study of the Period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by

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weighting the expected future real rate of return by the largest asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

Asset	Target Allocation	Long-term expected real rate of return
Domestic equity	32 %	4.05 %
International equity	15	6.30
Private equity	10	6.75
Real estate	9	4.95
Opportunistic/ARS portfolio	3	4.50
Credit	4	3.63
Real assets	3	5.95
Fixed income	23	—
Cash	1	0.50
	<u>100 %</u>	

The discount rate used to calculate the total pension liability at March 31, 2021 was 5.9%, down slightly from 6.8% at the March 31, 2020 measurement date. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents DASNY's current period net pension liability calculated using the current period discount rate assumption of 5.9%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current assumption (in thousands):

	1% Decrease (4.9%)	Current assumption (5.9%)	1% Increase (6.9%)
DASNY net pension liability (asset)	\$ 40,452	146	(37,026)

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(vi) *Deferred Outflows of Resources and Deferred Inflows of Resources*

At March 31, 2022, DASNY reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 1,780	—
Changes of assumptions	26,797	506
Net difference between projected and actual earnings on plan investments	—	41,865
Changes in proportion and differences between DASNY contribution and proportionate share of contributions	2,763	726
Contributions subsequent to the measurement date	8,380	—
Total deferred outflows/inflows of resources	\$ 39,720	43,097

Deferred outflows of resources of \$8.4 million, resulting from contributions subsequent to the measurement date will be recognized as a reduction to net pension liability in the year ended March 31, 2023.

The remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense for the fiscal years ending March 31 as follows (in thousands):

2022	\$ (1,620)
2023	(226)
2024	(1,970)
2025	(7,941)
Total	\$ (11,757)

(vii) *Total Pension Expense*

Total pension expense includes certain current period changes in the total net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense reported for the period ended March 31, 2022 is \$4.5 million.

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(b) Optional Retirement Plan

Unrepresented DASNY employees who have estimated annual salary of \$75 thousand or greater may participate in an Optional Retirement Program (ORP) under IRS Section 401(a), which is a multiple employer, defined contribution plan administered by separate vendors – TIAA CREF, Fidelity, Metropolitan Life, VALIC, and VOYA. DASNY's plan is administered exclusively by TIAA CREF. ORP employer and employee contributions are dictated by State law. The ORP provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in an ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. Employer contributions are not remitted to an ORP plan until an employee is fully vested. As such there are no forfeitures reported by these plans if an employee is terminated prior to vesting. Employees who joined an ORP after July 27, 1976 and have less than ten years of service or membership are required to contribute 3% of their salary. Those joining on or after April 1, 2012 are required to contribute between 3% and 6%, dependent upon their salary, for their entire working career. Employer contributions are 8%. Employee contributions are deducted from their salaries and remitted on a current basis to the respective ORP. Pension expense for the plan for the period ended March 31, 2022 is \$129 thousand.

(12) Postemployment Benefits

(a) Plan Description

DASNY provides postemployment healthcare benefits for eligible retired employees and their dependents who retire from DASNY. DASNY is a voluntary participating employer in NYSHIP, which is administered by the State of New York. Article XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the benefit provisions of the plans and to establish maximum obligations of the plan members to contribute to the plan. Subject to collective bargaining agreements, DASNY's Board is authorized to establish the contribution rates of DASNY employees and retirees below those set by Civil Service Law. NYSHIP is considered a single employer defined benefit plan offered by DASNY to its employees.

In order to be eligible, employees must be enrolled as a NYSHIP enrollee or a dependent of a NYSHIP enrollee at the time of retirement from DASNY, be eligible to receive a pension from the ERS and to have ten years of State service. In calculating the ten year service requirement, all of the employee's service need not be with DASNY, but may be a composite of New York State service elsewhere, with a minimum of one year with DASNY immediately preceding retirement. Employees with no prior State service must work a minimum of ten years with DASNY before they and their dependents are eligible for the retirement medical benefits.

DASNY pays 100% of the cost of single coverage and 75% of the cost of dependent coverage for employees who retired before January 1, 1983. DASNY pays 90% of the cost of single coverage and 75% of dependent coverage for employees who retire on or after January 1, 1983. A vestee is a DASNY employee vested as a member of the retirement system administered by the State, who has withdrawn from State service after meeting DASNY's minimum service requirement but has not met the age requirement for continuing health insurance. As of the measurement date, there were

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826 participants consisting of 422 current employees, 1 retirees entitled to benefits under DASNY but not yet receiving, and 403 retired and/or spouses of retired employees under DASNY.

(b) Funding

DASNY has not funded a qualified trust or its equivalent as defined in GASB Statement No. 75, therefore, benefits are funded on a pay as you go basis. DASNY's OPEB expenses are paid from fees collected from clients. As of March 31, 2022, the portion of the OPEB expense allocable to certain public clients was 92% and will be paid from future fees to be collected. A receivable in the amount of \$176.1 million is included in Other Receivables—noncurrent in the Statement of Net Position at March 31, 2022. The OPEB expense allocable to nonprofit health care institutions, independent colleges, universities, and other nonprofit institutions, and certain New York State agencies was funded with \$3.9 million as of March 31, 2022, with \$11.1 million of the allocation remaining unfunded from client program operating funds for the related changes in the OPEB liability.

(c) Actuarial Assumptions and Other Inputs

The total OPEB liability as of March 31, 2022 was measured as of March 31, 2021 and determined by a valuation as of March 31, 2020. The measurement of the total OPEB liability at March 31, 2021 used the following actuarial assumptions:

Valuation date	March 31, 2020
Inflation	2.50%
Salary increase rate	3.00% per year
Discount rate	1.74%
Healthcare cost trend rates	6.0% for 2021, decreasing to an ultimate rate of 4.5% for 2027 and later years
Retirees' share of benefit-related costs	10% of the individual premium, plus 25% of the excess of any family premium over the individual premium

The discount rate was based on the S&P municipal bond 20-year high grade index.

Mortality rates were based on those used in the "Annual Report to the Comptroller on Actuarial Assumptions" published in August 2020 projected generationally from 2020 using the MacLeod Watts Scale 2020 which was developed from a blending of data and methodologies found in the Society of Actuaries Mortality Improvement Scale (MP-2019 report published in October 2019) and the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds (published in April 2019).

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Notes to Basic Financial Statements

March 31, 2022

(d) Accounting Information

(i) Changes in Total OPEB Liability during the Fiscal Year

	Total OPEB Liability
	(In thousands)
Total OPEB Liability, beginning balance	\$ 228,594
Service cost	8,171
Interest	6,885
Changes in assumptions	53,200
Benefit payments	(5,166)
Net changes	63,090
Total OPEB Liability, ending balance	\$ 291,684

Changes of assumptions and other inputs include a change in the discount rate from 2.94% in the prior year to 1.74% in the current year. The decrease in the discount rate used to value the liability accounts for a \$53.2 million increase in the liability.

(ii) Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents DASNY's total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current year rate (in thousands):

	1% Decrease 0.74%	Current rate 1.74%	1% Increase 2.74%
Total OPEB Liability March 31, 2022	\$ 349,279	291,684	246,349

(iii) Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents DASNY's total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower and 1 percentage point higher than the current year rate (in thousands):

	1% Decrease	Current trend rates	1% Increase
Total OPEB Liability March 31, 2022	\$ 247,991	291,684	347,466

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March 31, 2022

DASNY recognized \$26.9 million in expenses related to OPEB for the year ended March 31, 2022. At March 31, 2022, DASNY reported deferred outflows of resources related to OPEB from the following sources (in thousands):

	Deferred outflows of resources	Deferred inflows of resources
Changes in assumptions	\$ 59,185	3,308
Differences between expected and actual experience	—	6,743
Employer contributions subsequent to measurement date	5,573	—
Total	\$ 64,758	10,051

DASNY will recognize the contributions subsequent to the measurement date in the next fiscal year. The remaining amounts reported as deferred outflows of resources related to OPEB will be recognized in future OPEB expense for the fiscal years ending March 31 as follows (in thousands):

2023	\$ 11,836
2024	11,445
2025	10,900
2026	10,650
2027	4,303
Total	\$ 49,134

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Notes to Basic Financial Statements

March 31, 2022

(13) Unrestricted Net Position

Unrestricted Net Position includes amounts that are not appropriate for operating expenses and are Board designated for a specific future use. Designations at March 31, 2022 are as follows (in thousands):

Designated:

Health care institution assistance	\$	26,224
Advance funding new projects		5,000
Coverage for financial risks associated with directors and officers liability insurance policies		1,593
Women/Minority Business Enterprises capital access, training and development		3,400
Reserve for replacement of corporate facilities		5,874
Reserve for 21st Century Technology Transformation		2,164
Reserve for Evolution		<u>1,171</u>

Total designated		45,426
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Undesignated ⁽¹⁾		<u>(33,822)</u>
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Total net position unrestricted	\$	<u><u>11,604</u></u>
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(1) This negative undesignated balance is due to the implementation of GASB 75 in 2019, which resulted in a \$45.9 million reduction in net position as of April 1, 2018. DASNY expects this negative undesignated balance will be offset by future fee income collected from public clients.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability
New York State and Local Employees' Retirement System (Unaudited)

(Dollars in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
DASNY's proportion of the net pension liability	0.15 %	0.15 %	0.16 %	0.15 %	0.15 %	0.15 %	0.16 %	0.16 %
DASNY's proportionate share of the net pension liability	146	40,294	11,133	4,686	13,797	24,119	5,259	7,035
Covered payroll	52,890	52,380	52,200	51,472	46,666	45,656	44,162	45,270
Net pension liability as a percentage of covered payroll	0.28 %	76.93 %	23.33 %	9.10 %	26.80 %	52.80 %	11.91 %	15.54 %
Plan fiduciary net position as a percentage of the total pension liability	100.0 %	86.4 %	96.3 %	98.2 %	94.7 %	90.7 %	97.9 %	97.2 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
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Required Supplementary Information

Schedule of Pension Contributions
New York State and Local Employees' Retirement System (Unaudited)

(Dollars in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 8,380	7,297	7,230	7,232	6,805	6,875	7,716	7,980
Contributions in relation to the contractually required contribution	<u>(8,380)</u>	<u>(7,297)</u>	<u>(7,230)</u>	<u>(7,232)</u>	<u>(6,805)</u>	<u>(6,875)</u>	<u>(7,716)</u>	<u>(7,980)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$ 50,173	52,890	52,380	52,200	51,472	46,666	45,656	44,162
Contributions as a percentage of covered payroll	16.70 %	13.80 %	13.80 %	13.85 %	13.22 %	14.73 %	16.90 %	18.07 %

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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DORMITORY AUTHORITY OF THE STATE OF NEW YORK
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Required Supplementary Information

Schedule of Changes in the Total OPEB Liability
and Related Ratios (Unaudited)

(Dollars in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability:				
Service cost	\$ 8,171	7,450	7,584	6,895
Interest	6,885	7,017	7,238	7,086
Differences between expected and actual experience	—	(10,662)	—	—
Changes in assumptions	53,200	21,422	(6,985)	7,436
Benefit payments	(5,166)	(4,941)	(4,708)	(4,838)
Net change in total OPEB liability	63,090	20,286	3,129	16,579
Total OPEB liability, beginning	228,594	208,308	205,179	188,600
Total OPEB liability, ending	\$ 291,684	228,594	208,308	205,179
Net position as a percentage of total OPEB liability	29.6 %	39.0 %	83.8 %	118.0 %
Covered-employee payroll	\$ 52,890	52,380	52,200	51,472
Total OPEB liability as a percentage of covered-employee payroll	551.5 %	436.4 %	399.1 %	398.6 %

Changes in benefit terms. There were no significant changes in benefits for the March 31, 2018 and 2020 actuarial valuation.

Changes in assumptions.

The discount rate was updated from 2.94% in 2021 to 1.74% in 2022.

The discount rate was updated from 3.29% in 2020 to 2.94% in 2021.

The salary increase rate was updated from 3.25% in 2020 to 3.0% in 2021.

A liability held for potential excise tax was removed and the discount rate was updated from 3.44% in 2019 to 3.29% in 2020.

The discount rate was updated from 3.67% in 2018 to 3.44% in 2019.

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

See accompanying independent auditors' report.



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