Annual Report 2021

City University of New York, Brooklyn College
Ingersoll Hall Extension

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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. Ortt
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.

Originally established to build college dormitories, DASNY has evolved into 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 that keep environmental and safety concerns at the forefront.

Today, its 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 entire state.

Sincerely,

Kathy Hochul
Governor

Alfonso L. Carney, Jr.
Chair, DASNY

Reuben R. McDaniel, III
President & CEO, 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,

The Dormitory Authority of the State of New York (DASNY) continues to demonstrate its unique expertise in financing, developing, and building complex projects visible in every region of New York State. These projects, large and small, help improve the quality of life for countless New Yorkers.

DASNY's work enables hospitals, universities, and state and local governments to meet the ever-changing and growing needs of taxpayers efficiently and cost-effectively, while strengthening the economy and creating opportunity for historically disadvantaged and underserved populations.

In Fiscal Year 2020-21, DASNY completed 23 financings worth approximately $10.6 billion and managed a portfolio of more than 1,000 construction projects totaling $7.8 billion. In addition, DASNY played an important role in the completion of Moynihan Station and many key infrastructure projects through its code and permitting work.

DASNY continues to play a significant role in supporting New York's minority- and women-owned business enterprises ("MWBEs") and service-disabled veteran-owned businesses ("SDVOBs"). Since 2011, more than $1.7 billion in DASNY construction expenditures have gone to MWBEs. DASNY continues to develop programs to help MWBEs achieve more participation in contracts for professional services, obtain greater access to bonding and capital, and develop business capacity to meet the needs of our customers.

Above all, DASNY continues to focus on delivering the highest levels of customer service to our public and private clients, and on improving the quality of life in New York State. We are addressing the challenges of creating energy-efficient structures that achieve New York's ambitious energy goals. We are pursuing alternative project delivery methods and design-build construction that can diminish contractual risk for our customers and provide more efficient delivery. And we are pushing for broader distribution of bonds leading to lower interest rates for taxpayers and our clients.

This year, as our country recovers from the challenges of the COVID-19 pandemic, DASNY continues to work alongside our financing and construction partners to devote the energy necessary to help New York "Build Back Better."

Alfonso L. Carney, Jr.
Chair

Reuben R. McDaniel, III
President & CEO, DASNY

2021 Finance Highlights

Bonds Delivered | $10.6 billion

Largest Public Financing | $3.4 billion

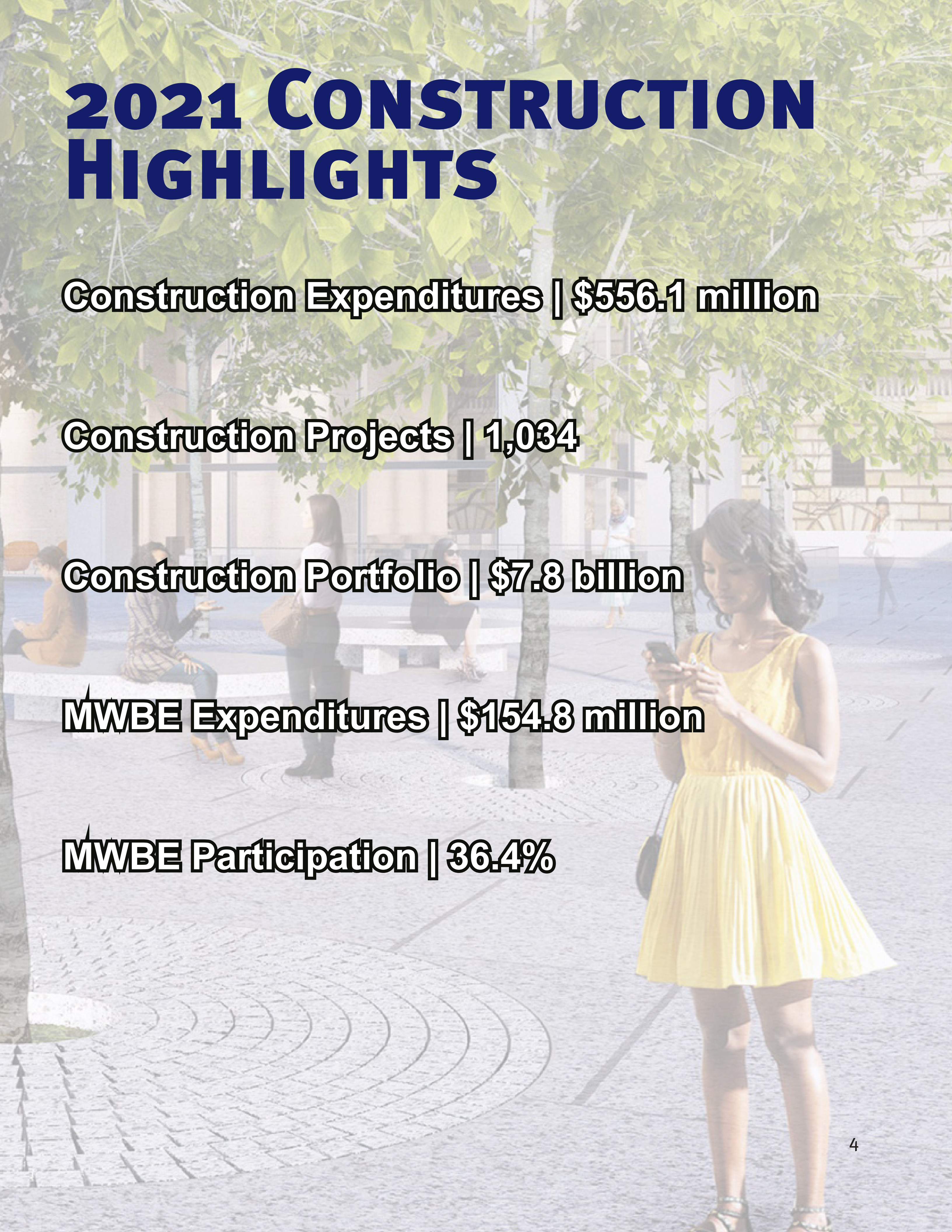
Largest Private Higher Education Financing | $233.0 million

Largest Private Health Care Financing | $135.8 million

Outstanding Bond Portfolio | $58.9 billion

Tax-Exempt Equipment Leasing Program (TELP) Leases | $27.6 million

*DASNY highlights for Fiscal Year 2020-21



2021 Construction Highlights

Construction Expenditures | $556.1 million

Construction Projects | 1,034

Construction Portfolio | $7.8 billion

MWBE Expenditures | $154.8 million

MWBE Participation | 36.4%

We Finance

23 financings valued at more than $10.6 billion in FY 2020-21

Rochester Institute of Technology, SHED Renderings
William Rawn Associates

SUNY Stony Brook, Radiation Therapy Machine

SUNY Stony Brook University Hospital

St. James Hospital Ribbon Cutting, Hornell, NY

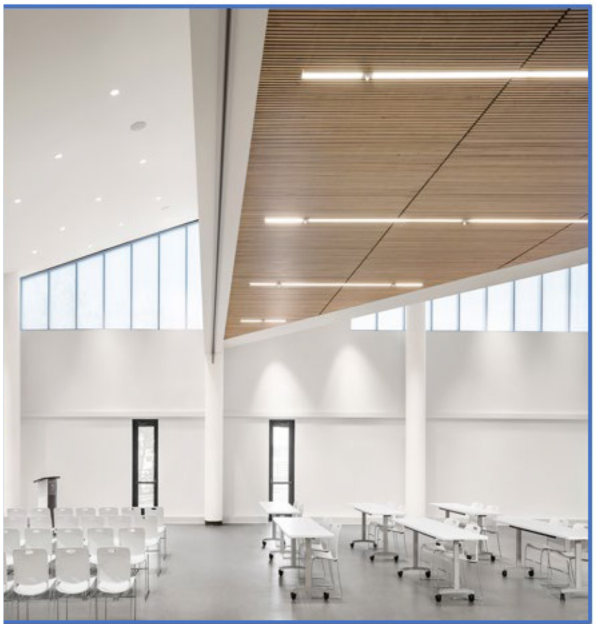
Rochester Institute of Technology, SHED Renderings William Rawn Associates

We Design & Build

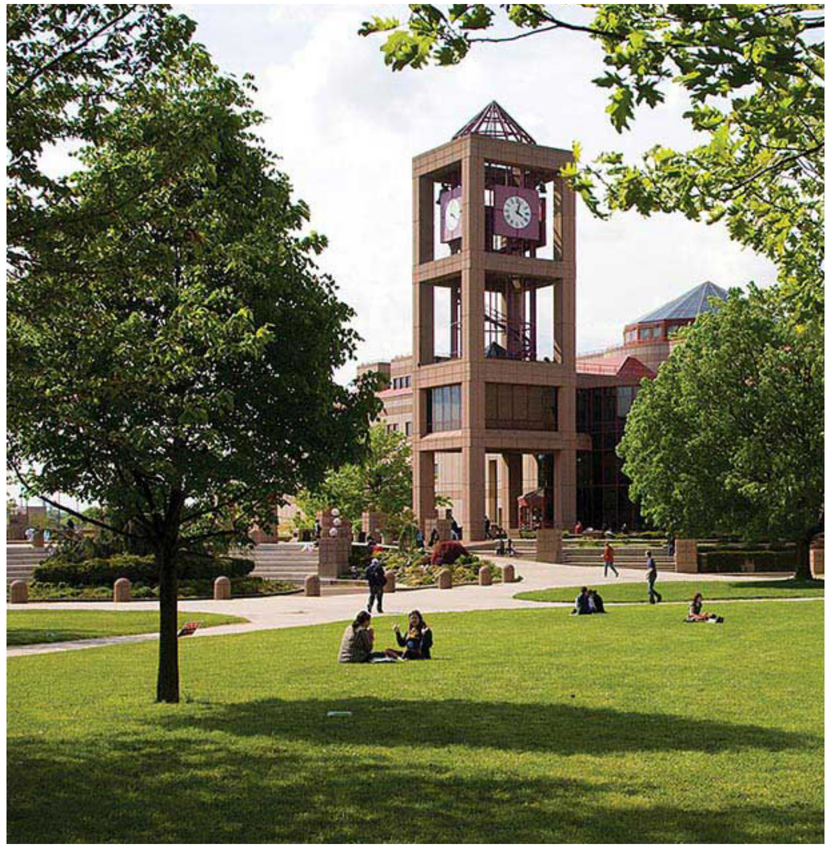
CUNY The City University of New York

410 projects valued at $2.7 billion in FY 2020-21

City University of New York, Brooklyn College, Ingersoll Hall Extension



City University of New York, Kingsborough Community College Student Conference Center



City University of New York, Queens College Water Fountain

City College of New York Schiff House Daycare Center

We Design & Build

66 projects valued at $499.3 million in FY 2020-21

State University of New York, Alfred State
MacKenzie Hall

State University of New York Plattsburgh, Kent Hall Dorm

State University of New York Oneonta, Huntington Hall

Students at State University of New York, Fashion Institute of Technology

Diversity and Inclusion

DASNY's Capital Management Plan

DASNY's Capital Management Plan provides new growth opportunities for MWBEs and SDVOBs by providing lines of credit and other supports to help them successfully bid on and execute DASNY construction contracts as prime contractors. Developed with The Cayemitte Group and supported with funding from the nonprofit Local Initiatives Support Corporation (LISC), this is the first program of its kind in the country.

"Our decision to provide an option for bidders to utilize Capital Management services will be a game changer for increasing our support for diverse contractors."

Michael M. Clay,
Senior Director of Procurement and Opportunity Programs

36.4%
MWBE Participation FY 2020-21

$158.4M
MWBE Expenditures FY 2020-21

$25.1M
SDVOB Expenditures since 2015

"DASNY has a long history of ensuring that our partners reflect New York's diversity. This program will help MWBEs and SDVOBs establish the strong financial footing needed to enable them to grow their businesses and take on larger projects to help New York rebuild."

Reuben R. McDaniel III,
President & CEO | DASNY

In the last decade, DASNY has delivered more than $1.7 billion in construction expenditures to New York State-certified MWBEs.

New Construction Projects

Project and Purpose	Amount

New Construction

City University of New York (CUNY)

Brooklyn College — $1,070,000
Replace and upgrade deteriorated heating system piping and related components in various buildings across the Brooklyn College Campus. (November 2020)

City College of New York — $1,000,000
Replacement of the HVAC system and related components in the NAC Data Center. (November 2020)

Hunter College — $3,952,000
Renovate bathrooms in Thomas Hunter Hall including ADA compliance. (May 2020)

Queens College — $2,000,000
Construction of a small addition to house the installation of the two additional new 1,400 ton-r centrifugal chillers, two associated cooling towers. (November 2020)

Office of Mental Health (OMH)

Kingsboro Psychiatric Center — $2,500,000
Create new outdoor space in the recreation yard at Buildings 1 and 2. (January 2021)

South Beach Psychiatric Center (SBPC) — $3,300,000
Management, technical support and additional labor to support building operations, general maintenance, and overall monitoring of the SBPC facility while being occupied as a COVID facility. (April 2020)

St. Lawrence Psychiatric Center — $1,317,000
Replace existing absorption chiller and cooling tower with two energy efficient electric air-cooled chillers. (October 2020)

State University of New York

University at Buffalo — $2,220,785
Installation of new hallway lighting and switchgear in Richmond Hall. (December 2020)

Modified Service Programs

New York State Department of Health (DOH) — $1,580,000
One project in Chenango county.

Homeless Housing Assistance Corporation (HHAC) — $1,257,285,203
Fifty-one projects for homeless housing located in Albany, Bronx, Chautauqua, Chemung, Dutchess, Erie, Franklin, Genesee, Kings, Monroe, New York, Niagara, Onondaga, Orange, Rensselaer, Rockland, Schenectady, Steuben, Suffolk, Tompkins, Westchester, and Yates counties.

New York State Office of Addiction Services and Supports (OASAS) — $41,447,700
Seven projects in Albany, Broome, Kings, Monroe, New York, Saratoga, and Tompkins counties.

New York State Office of Parks, Recreation and History Preservation (OPRHP) — $2,567,242
One project in Ulster county.

State University of New York (SUNY) — $10,372,300
Four projects in Erie, Monroe, New York, and Rensselaer counties.

Completed Construction Projects

Project and Purpose	Amount

Completed Construction

City University of New York (CUNY)

Baruch College Renovations due to water damage in Mason Hall. (October 2020)	$1,492,243
Borough of Manhattan Community College Replacement of the emergency generator at the main campus building. (August 2020)	$7,378,105
Brooklyn College Roof stabilization at Roosevelt Hall. (October 2020)	$1,115,342
Brooklyn College Roof replacement at Ingersoll Hall. (November 2020)	$6,368,763
Brooklyn College Reconstruction of the cupola on the clock tower at LaGuardia Hall Library. (February 2021)	$2,136,867
City College of New York Renovation of the Schiff House to provide a daycare and child development facility. (October 2020)	$10,630,868
College of Staten Island Reconstruction of the Soccer Field. (August 2020)	$2,621,756
CUNY Graduate School and University Center Upgrades to existing cooling towers. (March 2021)	$6,571,953
Hunter College Upgrades to the HVAC and boiler at Hunter College Campus School. (March 2021)	$14,819,646
Lehman College Upgrades to the ventilation system at the Library Building. (September 2020)	$20,065,500
Medgar Evers College Renovation of egress code compliance, ADA accessibility, aging interiors and MEP systems at the Carroll Street Building. (November 2020)	$3,037,027
Medgar Evers College Roof replacement at the Bedford Building. (February 2021)	$4,758,065
New York City College of Technology Renovation of Laboratory Space for the Science and Technology programs at the Namm Commerce and Environmental Centers. (July 2020)	$1,244,734
New York City College of Technology Elevator replacement in the Allied Health Center, the Environmental building, and the General Building. (October 2020)	$4,395,015
Queens College Roof replacement at the Fitzgerald Gymnasium. (August 2020)	$13,503,919

***Project should have been included in prior fiscal year.

Completed Construction Projects

Project and Purpose	Amount

Housing Trust Fund Corporation (HTFC)

City of Binghamton $1,995,794
Improvements to three pump stations to build resiliency in future storm events. (September 2020)

Freeport $1,278,415
Construction of green infrastructure improvements at Freeport's Municipal Parking Lots at Village Hall and at the pedestrian plazas. (November 2020)

Old Fort Johnson $1,185,556
Storm hardening of pedestrian bridge, stream abutments, and walkways. (September 2020)

NYS Department of Environmental Conservation (DEC)

City of Ithaca $5,412,650
Construction of a 9.5-acre sediment management facility (SMF) located at the Cayuga Inlet. (September 2020)

NYS Department of Health (DOH)

Helen Hayes Hospital* ** $3,068,176
Mechanical upgrades and asbestos abatement. (January 2018)

Helen Hayes Hospital $2,181,038
Renovations including ADA bathroom upgrades, LED lighting, and upgrades to the nursing stations. (August 2020)

NYS Office of Mental Health (OMH)

Binghamton Psychiatric Center $2,003,688
Renovations for the Facility, Administration, and Personnel Building. (March 2021)

Buffalo Psychiatric Center $1,413,618
Replacement of chillers. (April 2020)

Elmira Psychiatric Center $3,489,514
Window and external door replacement. (April 2020)

Queens Children's Psychiatric Center $1,388,321
Replacement of the Building Management System. (December 2020)

South Beach Psychiatric Center *** $4,954,380
Window replacements in Buildings 8, 9 and 10. (November 2019)

South Beach Psychiatric Center $4,958,214
Elevator reconditioning and code modernization at Buildings 6, 7, 9 and 10. (March 2021)

***Project should have been included in prior fiscal year.

Completed Construction Projects

Project and Purpose	Amount

NYS Office for People with Developmental Disabilities (OPWDD)

Capital District Developmental Disabilities Services Office (DDSO) Replacement of two Oil Burners at the Adirondack Day Habilitation. (December 2020)	$1,340,596
Finger Lakes DDSO Replacement of crawlspace air handling units at the Vienna building. (February 2021)	$1,672,739
Sunmount DDSO Replacement of the boilers at the RIT and CIT program buildings. (October 2020)	$1,101,618

State University of New York (SUNY)

Alfred State College Phase II renovation of MacKenzie Towers, including abatement, bathroom upgrades, HVAC system upgrades, fire sprinkler system installation, upgraded IT infrastructure, and connection to new boilers. (November 2020)	$17,599,453
Buffalo State College Asbestos abatement of floor and ceiling tile in Porter Hall. (July 2020)	$2,436,249
SUNY Delhi Roof replacement, brick repair and exterior finishes at Gerry and Dubois Halls. (August 2020)	$1,748,914
SUNY Oneonta Interior renovation of Huntington Hall. (August 2020)	$20,532,028
SUNY Plattsburgh Renovations at Kent Hall, including hazardous materials removal, system upgrades, bathroom renovations, finish upgrades, and site improvements. (January 2021)	$16,672,880
SUNY Polytechnic Institute at Utica Construction of a 250-bed residence hall. (August 2020)	$31,319,015
SUNY Purchase Sprinkler system installation at The Commons, Building M. (August 2020)	$1,596,574
SUNY Purchase Sprinkler system installation at The Commons, Building S. (August 2020)	$1,496,896
SUNY Purchase Renovation of the corridor bathrooms in the C-Wing of Building 45. (August 2020)	$9,823,144
University at Albany Concrete restoration for Livingston, Eastman, Stuyvesant, and Mohawk Towers. (August 2020)	$4,938,971
University at Albany Elevator upgrades in Eastman, Stuyvesant, and Livingston Towers. (August 2020)	$5,506,853

***Project should have been included in prior fiscal year.

Completed Construction Projects

Project and Purpose	Amount
Modified Service Programs	
Homeless Housing Assistance Corporation (HHAC) Fifteen projects for homeless housing located in Albany, Bronx, Cayuga, Chemung, Erie, Franklin, Onondaga, Schenectady, Suffolk, Tompkins and Yates counties.	**$359,463,890**
New York State Office of Addiction Services and Supports (OASAS) Nine projects in Albany, Bronx, Erie, New York, and Ulster counties.	**$22,025,551**
New York State Office of Parks, Recreation and Historic Preservation (OPRHP) Thirteen projects in Albany, Cattaraugus, Erie, Nassau, and Niagara counties.	**$65,461,530**
State University of New York (SUNY) Three projects in Erie, Cayuga, and Oneida counties.	**$13,451,751**

* Project should have been included in prior fiscal year

Bonds Delivered

Issuance and Purpose	Amount
Cornell University Revenue Bonds, Series 2020A (Subseries 2019A-1 (Tax-Exempt) and Subseries 2019A-2 (Federally Taxable)) The Series 2020A Bonds were issued to refund DASNY's Cornell University Revenue Bonds, Series 2010A. (April 2, 2020)	$233,000,000
Master BOCES Program Lease Revenue Bonds (Onondaga, Cortland and Madison Issue), Series 2020 The Series 2020 Bonds were issued to purchase the OCM BOCES Crown Road campus in Liverpool, which was previously leased by the BOCES (April 24, 2020)	11,615,000
InterAgency Council Pooled Loan Program Revenue Bonds, Series 2020A Subseries 2020A-1 (Tax-Exempt) and Subseries 2020A-2 (Federally Taxable) The Series 2020A Bonds were issued to finance, refinance or reimburse a portion of the costs of the acquisition, renovation and furnishing of certain facilities of the Series 2020 Participants for the provision of services to people with developmental disabilities or other special needs (April 28, 2020)	19,860,000
Rockefeller University Revenue Bonds, Series 2020A The Series 2020A Bonds were issued to refund the University's Series 2010A Bonds (April 30, 2020)	40,985,000
Cornell University Revenue Bonds, Series 2020A-2 The Series 2020A-2 Bonds were issued to refund DASNY's Cornell University Revenue Bonds, Series 2008B and 2008C (May 12, 2020)	77,840,000
Personal Income Tax Private Placement Subordinate Revenue Anticipation Notes (General Purpose), Series 2020A The Series 2020A Bonds were issued to provide for temporarily financing budgetary needs of the State of New York following the federal government deferral of the federal income tax payment deadline from April 15, 2020 to a later date (May 22, 2020)	1,000,000,000
Personal Income Tax Subordinate Revenue Anticipation Notes (General Purpose), Series 2020B The Series 2020B Notes were issued to provide for temporarily financing budgetary needs of the State of New York following the federal government deferral of the federal income tax payment deadline from April 15, 2020 to a later date (June 18, 2020)	3,382,200,000
St. Joseph's College Revenue Bonds, Series 2020A The Series 2020A Bonds were issued to refund the College's DASNY Series 2010 bonds (June 18, 2020)	17,175,000
Terence Cardinal Cooke Health Care Center Private Placement Revenue Bonds, Series 2020 The Series 2020 Bonds were issued to finance the renovations necessary to relocate and expand the TCC's Specialty Hospital for Children and for other upgrades across TCC's campus (June 29, 2020)	25,000,000
NYSARC, Inc. Revenue Bonds, Series 2020 (Federally Taxable) The Bonds were issued to refund all or a portion of DASNY's outstanding NYSARC, Inc. Insured Revenue Bonds, Series 2010A and to finance or refinance the costs of individual capital projects for certain NYSARC, Inc. Chapters (June 30, 2020)	31,495,000
Touro College and University System Obligated Group Private Placement Bonds, Series 2020A The Series 2020A Bonds were issued to finance the acquisition and renovation of two stories of a building in Manhattan to be used for administrative purposes, to finance renovations and equipment purchases at the New York Medical College, to fund the debt service reserve fund, pay capitalized interest and to pay the costs of issuance. (July 1, 2020)	55,610,000
School Districts Revenue Bond Financing Program Revenue Bonds, Series 2020A-D The 2020A-D 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. (2020A-C June 17, 2020), (2020D July 16, 2020)	457,160,000
Master BOCES Program Lease Revenue Bonds (St. Lawrence-Lewis Issue), Series 2020A The Series 2020A Bonds were issued to finance capital projects at three career and technical education centers of SLL BOCES.) (July 17, 2020)	18,980,000
State University of New York Dormitory Facilities Revenue Bonds, Series 2020A (Federally Taxable) The bonds were issued to refund and restructure SUNY Dorm debt service due in 2021 and 2022, including the old SUNY Dorm Program and the new SUNY Dorm Program (July 22, 2020)	328,450,000

Bonds Delivered

Issuance and Purpose	Amount
New York Institute of Technology Revenue Bonds, Series 2020A (Federally Taxable) The Series 2020A Bonds were issued to refund and restructure the College's DASNY Series 2016A bonds (July 29, 2020)	17,185,000
Maimonides Medical Center FHA-Insured Mortgage Hospital Revenue Bonds, Series 2020A The Series 2020A Bonds were issued for the renovation and construction of the Hospital's (i) modernized emergency department, (ii) modernized neonatal intensive care unit, (iii)post-anesthesia care unit, (iv)cardiac catherization laboratories, and supporting pre-and post-procedure areas, (v) cardiothoracic intensive care unit, and (vi) various infrastructure projects, including electrical, plumbing, mechanical, and emergency generator support systems; and (vii) the acquisition of updated information systems and medical equipment for the hospital (August 6, 2020)	135,845,000
Barnard College Private Placement Bonds, Series 2020B The Series 2020B Bonds were issued to finance a portion of the costs associated with improvements to existing facilities located on the Morningside Campus and off-campus College sites (October 8, 2020)	40,475,000
Personal Income Tax Revenue Bonds (General Purpose), Series 2020A (Tax-Exempt) and Series 2020B (Federally Taxable) The Series 2020A and Series 2020B 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 2020 bonds (October 15, 2020)	2,482,970,000
Master BOCES Program Lease Revenue Bonds (St. Lawrence-Lewis Issue), Series 2020B The Series 2020B Bonds were issued to finance capital projects at three career and technical education centers of SLL BOCES (December 2, 2020)	19,655,000
Greenburgh Eleven Union Free School District Private Placement Revenue Bonds, Series 2020 The Series 2020 Bonds were issued to finance repairs and replacement construction which includes wall systems, windows and roof due to water intrusion, a new fire alarm system, renovation of existing space for accessibility due to consolidation from two buildings to one, drainage repair, HVAC, plumbing repair and building security renovations (December 23, 2020)	8,130,000
St. Joseph's College Revenue Bonds, Series 2021 The Series 2021 Bonds were issued to finance the construction and equipping of a new 38,000 square foot student center and pump station and sanitary sewer collection system on the College's Long Island campus (January 21, 2021)	15,605,000
FIT Student Housing Corporation Insured Revenue Bonds, Series 2021 (Federally Taxable) The bonds were issued to refund and restructure the debt servivce on the FIT Student Housing Corporation Insured Revenue Bonds, Series 2007 due in 2021, 2022,and 2023 (February 3, 2021)	31,670,000
Personal Income Tax Revenue Bonds (General Purpose), Series 2021A (Tax-Exempt) and Series 2021B (Federally Taxable) The Series 2021A and Series 2021B Bonds were issued to finance or reimburse all or a portion of the costs of programs and projects throughout the State and the refunding of all or portions of various series of State-supported debt, as well as to pay the cost of issuance of the Series 2021 bonds (March 25, 2021)	2,163,060,000
Total Bonds Issued*	**$10,613,965,000**

* *Taxable Convent of the Sacred Heart Series 2020 Private Placement Bonds were exchanged for tax-exempt Series 2021 Private Placement Bonds upon mandatory tender on February 1, 2021.*

Tax-Exempt Equipment Leasing Program (TELP)

Lease and Purpose	Amount
Tax-Exempt Leasing Program I (Health Care)	
Brooklyn United Methodist Church Home $4 million lease for energy performance equipment and information technology equipment. (May 7, 2020)	$3,940,300
State University of New York University Hospital at Syracuse $23.7 million lease for cardiology, radiology, imaging, nursing, and information technology equipment. (October 21, 2020)	23,700,000
Total TELP I Leases	**$27,640,300**
Grand Total TELP Leases	**$27,640,300**

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.

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.

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.

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.

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.

GERARD ROMSKI, ESQ., Mount Kisco.

Gerard Romski 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. Romski is also of counsel to the New York City law firm of Rich, Intelisano & Katz, LLP. Mr. Romski holds a Bachelor of Arts degree from the New York Institute of Technology and a Juris Doctor degree from Brooklyn Law School.

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.

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

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.

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

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.

HOWARD A. ZUCKER, M.D., J.D., Commissioner of Health of the State of New York, Albany; ex-officio.

Dr. Zucker is being replaced on the DASNY Board by Dr. Mary Bassett effective December 1, 2021. Howard A. Zucker, M.D., J.D., was appointed Commissioner of Health on May 5, 2015 after serving as Acting Commissioner of Health since May 5, 2014. Prior to that, he served as First Deputy Commissioner leading the State Department of Health's preparedness and response initiatives in natural disasters and emergencies. Before joining the State Department of Health, Dr. Zucker was professor of Clinical Anesthesiology at Albert Einstein College of Medicine of Yeshiva University and a pediatric cardiac anesthesiologist at Montefiore Medical Center. He was also an adjunct professor at Georgetown University Law School where he taught biosecurity law. Dr. Zucker earned his medical degree from George Washington University School of Medicine. He also holds a Juris Doctor degree from Fordham University School of Law and a Master of Laws degree from Columbia Law School.

• Tracy Raleigh, who served as the designated representative for the Department of Health through FY 2021, has been replaced by Ken Evans.

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.

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 has since settled and paid the remaining claims of creditors. A portion of the proceeds of the sale of the properties noted above in the amount of $1,720,000, had been set aside in case it was needed to pay claims of creditors; the Liquidation Trustee determined these funds to be unnecessary for the payment of claims, and on October 30, 2013, the funds were used to redeem a portion of the DASNY Bonds issued for the benefit of North General Hospital.

The Liquidation Trustee has since resolved all claims submitted by unsecured creditors, filed her final accounting with the Bankruptcy Court and the Bankruptcy case has been 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.

<u>Current Activities</u>

Reconstruction and renovation work on the Main Hospital Building was completed and the 210-bed LTACH opened in November 2013. The last rental payment made by HHC was received on July 30, 2019 and was for the period July 1, 2017 through June 30, 2018. That rent was applied toward the February 15, 2020 bondholder payment, with the State providing funds for the balance (83%) of principal and interest payment to bondholders. Rental payments are based on the amount equal to all fee-for-service Medicaid capital cost reimbursement HHC receives from the NYSDOH attributable to the Lease.

The North General Hospital bonds will mature on February 15, 2025. Once the bonds mature and the last rental payment is made to NGHP, 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 Avenue 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.

Current Activities: To fund the ongoing operations following its emergence from Bankruptcy, New IMC has been receiving regular operating assistance from the State, including several Health Facility Restructuring Pool loans from 2015 through 2017. As a consequence of cash flow struggles in recent years, rent payments by New IMC were reduced with the consent of DOH in 2017 and again in 2018. Even with such reductions, rent payments have not been received from New IMC since October 2018. As such, both the August 15, 2019 bondholder interest-only payment and the larger principal and interest payment due on February 15, 2020 were made exclusively by NYS under the State Service Contract.

Only a few final claims remain related to the Bankruptcy. Once these claims are settled and the Bankruptcy case is closed, any unused funds can be returned to DASNY, which will then be used to offset IMC bondholder payments being made by the State under the Service Contract. The IMC bonds mature February 15, 2028.

In March of 2017, the Department of Health and DASNY issued a Request for Applications (“RFA”) pursuant to Public Health Law section 2825-a (Health Care Facility Transformation Program: Kings County Project), a new $700 million capital grant program included in the enacted 2015-16 State Budget to strengthen and protect continued access to health care services in communities of Kings County and create a financially sustainable system of care. On October 14, 2016, New IMC, along with Brookdale Hospital Medical Center and Kingsbrook Jewish Medical Center, came together to form One Brooklyn Health System, Inc. (“OBHS”), for the purpose of participating in this grant opportunity. On January 31, 2018, OBHS received an award of up to $663,993,428 in capital funding from this program. New IMC is currently working with OBHS and its Member Hospitals to execute the transformation plan funded by this program.

The enacted 2019-20 State Budget included a provision authorizing Atlantic Avenue to transfer the following 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:

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

Such plan is subject to approval of the Commissioner of the New York State Division of Homes and Community Renewal (“DHCR”), the Commissioner of the Department of Health (“DOH”), and the Director of the Division of the Budget (“DOB”) in accordance with the legislation.

This undertaking is pursuant to the Vital Brooklyn policy 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, among other things, improving access to healthy food sources, quality affordable housing, opportunities for physical activity, and high-quality health care and mental health services.

Pursuant to Vital Brooklyn, DHCR has issued two Requests for Proposals for multiple parcels throughout Central Brooklyn, four of which are owned by Atlantic Avenue and used by New IMC. None of those parcels are on the main New IMC hospital campus. It is anticipated that, in addition to housing being constructed on the New IMC sites, clinical and administrative space would also be made available for use by New IMC and its corporate member/parent, One Brooklyn Health System.Timing and terms for transfer of the parcels are not presently known and are dependent in part upon the terms of the development proposals selected by DHCR.

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, 2021

(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 Basic Financial Statements

We have audited the accompanying basic financial statements of the Dormitory Authority of the State of New York (DASNY), a component unit of the State of New York, which comprise the statement of net position as of and for the year ended March 31, 2021, and the statements of revenues, expenses, and changes in net position, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of DASNY, as of March 31, 2021, 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.

KPMG LLP, a Delaware limited liability partnership and a member firm of
the KPMG global organization of independent member firms affiliated with
KPMG International Limited, a private English company limited by guarantee.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3–25, the schedule of proportionate share of the net pension liability on page 67, the schedule of pension contributions on page 68, and the schedule of changes in total OPEB liability and related notes on page 69 be presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purposes of forming an opinion on the basic financial statements of DASNY. The other information listed in the table of contents of DASNY's annual report is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other information has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021 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 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 23, 2021

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, 2021. 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 (91% 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 490 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 and the State's mental hygiene program 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 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;

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 the State and New York City (the City) and to cost effectively support their strategies to diversify their debt portfolios 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 State's and City's overall debt management programs. DASNY is only obligated to make swap payments from monies paid to it by the State or City pursuant to lease and financing agreements related to the State and 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 2021 fiscal year, DASNY worked with the State and other clients to address the financial impact of the COVID-19 Coronavirus Pandemic. The State enacted legislation 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 meet its fiscal management needs during the fiscal year in response to cashflow shortfalls as a result of the federal government's decision to extend the personal income tax filing deadline from April 15 to July 15 and the corresponding extension of the State's tax filing deadline. DASNY issued $4.4 billion in revenue anticipation notes on behalf of the State in support of this initiative.

Additionally, DASNY worked with SUNY under their Residence Hall program and FIT Student Housing Corporation to refund and restructure a portion of their outstanding bonds in order to provide debt service relief as the institutions adjusted to the shortfalls in dorm rents as a result of schools moving to all online and remote learning in the Fall, in response to the COVID-19 pandemic. These measures helped to increase the volume of bond issuances in 2021.

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

> DASNY completed its work on a new 262-bed residential building for New York State's Office of Mental Health's (OMH) South Beach Psychiatric Center at the close of last fiscal year and received a Temporary Approval for Occupancy. On April 1, 2020, DASNY assisted the hospital's efforts to convert to a Northwell Hospital outpost for COVID-19 patients. At the close of the current fiscal year, the building was preparing to be turned back over to South Beach for occupation by OMH.
>
> DASNY completed its code permitting work on the Moynihan Station Project and the train hall opened in December 2020. The Javits Convention Center Expansion Project continues to progress with completion targeted for the second quarter of 2021.
>
> DASNY completed construction of a new 257-bed zero-net, carbon-certified residence hall at SUNY Poly's Utica campus. The design for the new residence hall meets the State's aggressive clean energy goals and is the first of its kind on the campus. As a zero-net, carbon-certified building, in addition to exceeding energy goals, the infrastructure to add future on-site renewable energy production systems will be in place. Once these systems are installed, the building will use equal to or less than the energy annually it can produce on-site through renewable resources. The $33.5 million project was completed and occupied in September 2020.
>
> DASNY began construction of a new academic building on the campus of the Fashion Institute of Technology (FIT) and a new school of nursing building at Lehman College – School of Nursing. Both projects have foundation work underway. The $189 million FIT project is targeted for completion in late December 2023.

DASNY's debt issuance activities had another recording-breaking year, issuing over $10.6 billion in debt, an increase of $1 billion, compared with the prior year. The increase was due primarily to increased issuances for public clients in connection with newly enacted legislation authorizing the issuance of short-term notes on behalf of the State, in response to cash flow needs related to the COVID-19 pandemic. Total outstanding bonds and notes balance was approximately $59 billion as of March 31, 2021.

From a reporting perspective, DASNY adopted GASB (defined below) Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The pronouncement requires additional information be disclosed within the notes of the financial statements, including unused lines of credit; assets pledged as collateral for debt; and terms specified in debt agreements related to significant events of default with financial consequences, significant termination events with financial consequences, and significant acceleration clauses. The statement also requires that debt information related to direct placements and direct borrowings be reported separately from other debt in the footnotes. These disclosures are intended to provide the user with additional information to better understand the effects of debt on future resources. There were no impacts on the financial statements as the effect of the new rules for DASNY related solely to additional disclosures.

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 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.

Discussion of DASNY Lines of Business Activities

DASNY Operating Activities

DASNY's internal operating expenses totaled approximately $85 million and $87 million during 2021 and 2020, respectively, of which 7% and 8% were allocable to private institutions, while 93% and 92% were allocable to public programs.

DASNY's personal service expenses totaled approximately $77 million during 2021 and 2020, of which 81% and 79%, respectively, were associated with Construction Management activities.

Debt Issuance Activities

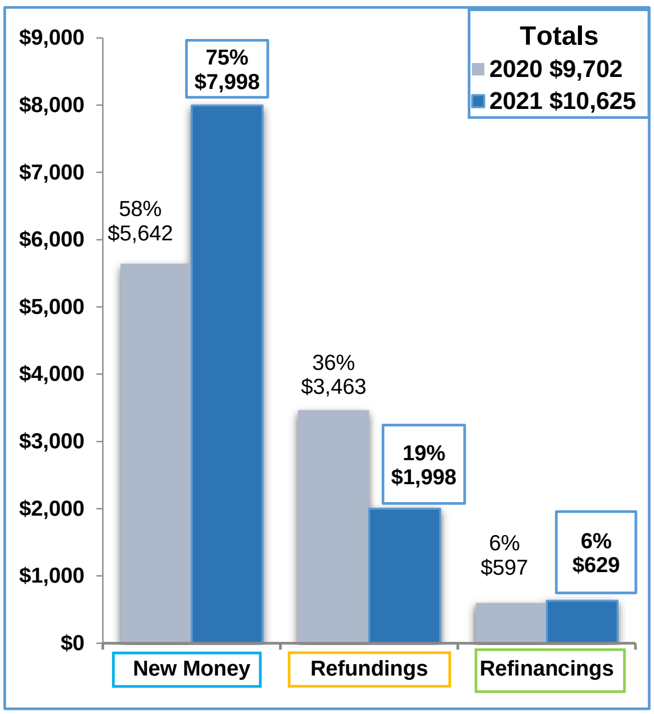
Bonds and Notes Issued

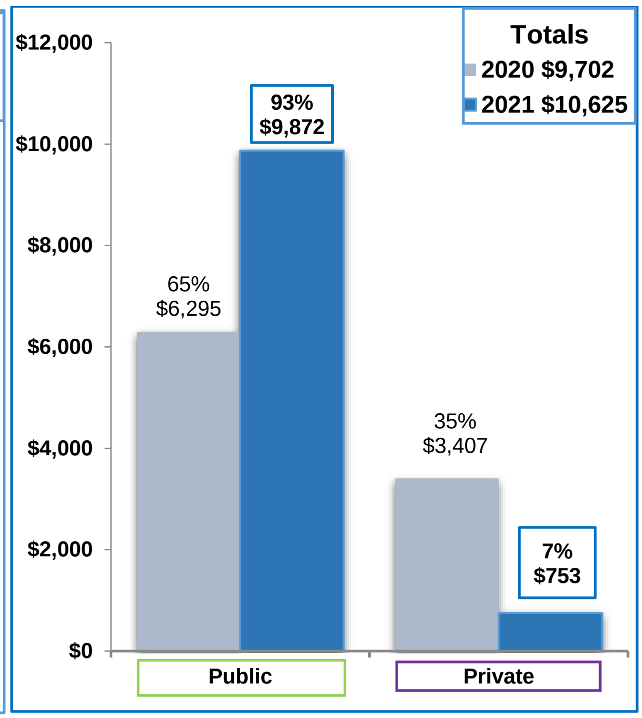
As the charts on the following page illustrate, DASNY's Debt Issuance activity includes new money, refundings and refinancings with approximately 93% of the activity coming from public clients. During 2021, the par value of bonds issued increased approximately $1 billion due to increases in new money and refinancings, partially offset by reductions in refunding issuances. The increase in new money was the result of issuance activity on behalf of the State in connection with short-term note financing for working capital needs related to the COVID-19 pandemic. The charts on the following page provide additional detail regarding the three types of issuances by client type.

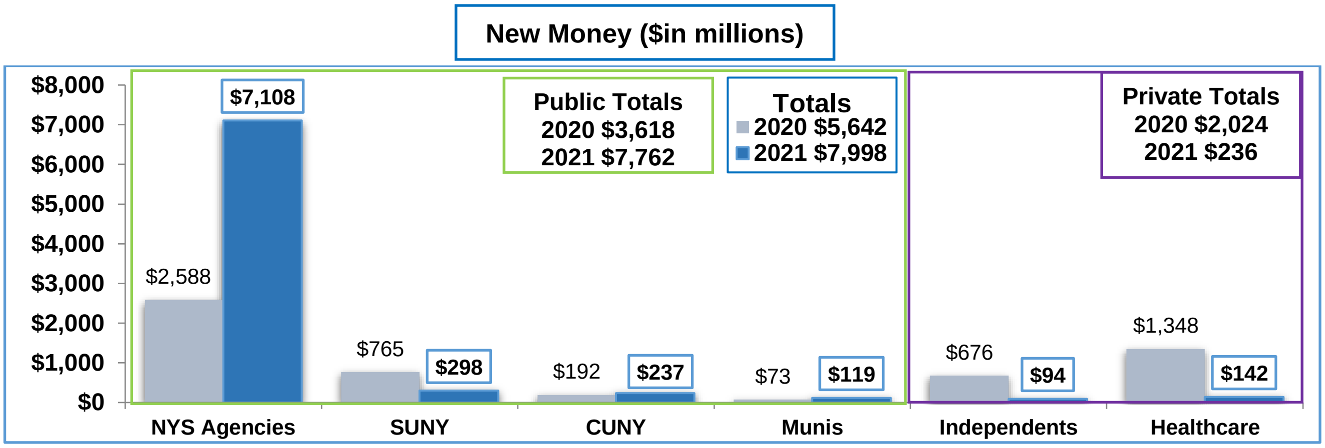
The increases in new money and refinancing issuances from public in conjunction with issuances for private clients significantly decreasing from the prior year drove a shift in the public-to-private proportion, with the public share increasing from 65% in 2020 to 93% in 2021.

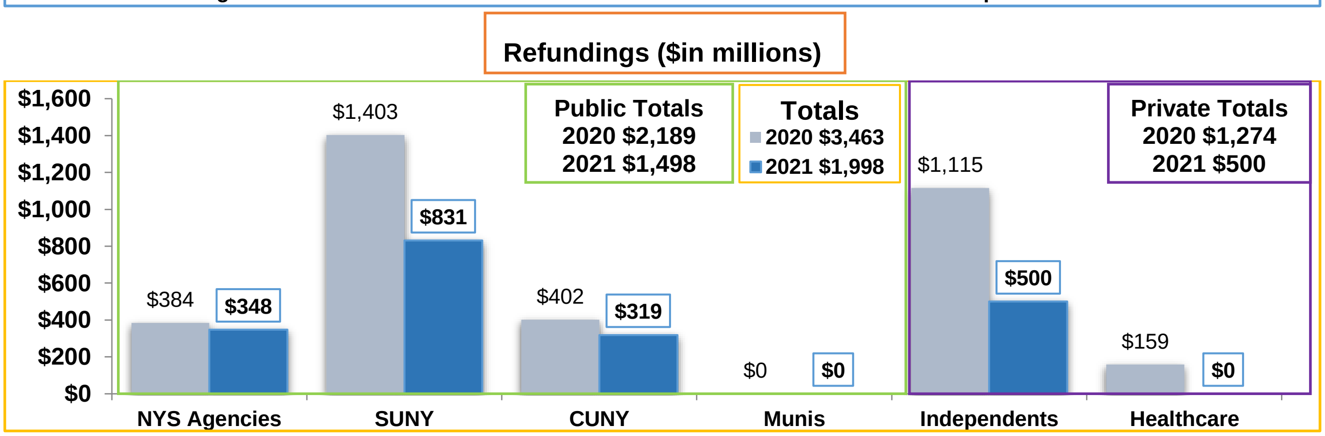
Par Amount of Bonds and Notes Issued ($in millions)

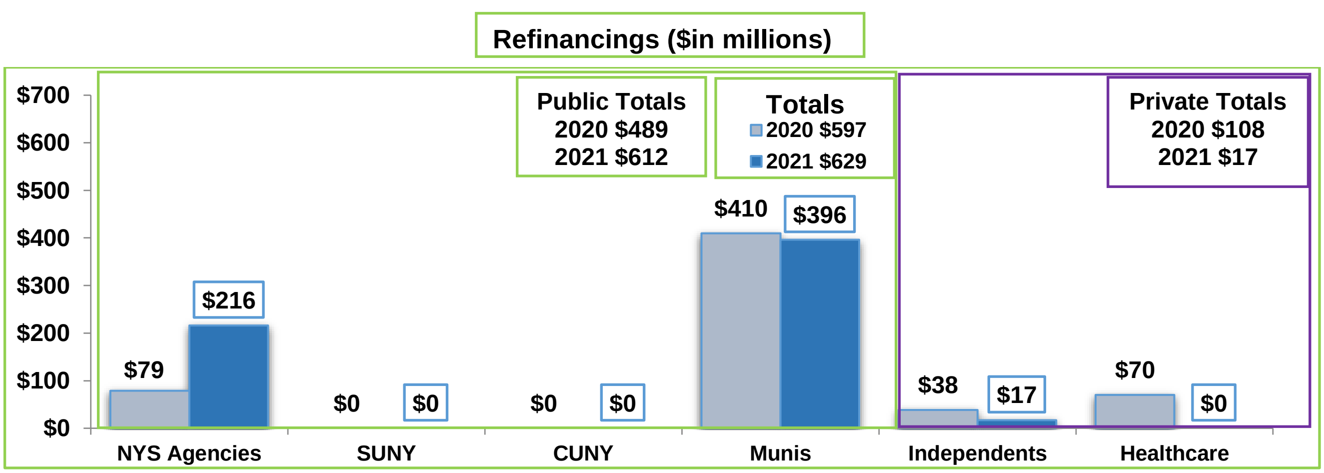
These amounts vary from the amounts reflected in Proceeds from Issuance of Bonds and Notes on the Statement of Cash Flows due to the inclusion of the net premium received on the bonds and notes issued in the Statement of Cash Flows.






New Money ($in millions)
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
$7,108
$2,588
$765
$298
$192
$237
$73
$119
$676
$94
$1,348
$142
Public Totals
2020 $3,618
2021 $7,762
Totals
2020 $5,642
2021 $7,998
Private Totals
2020 $2,024
2021 $236
NYS Agencies
SUNY
CUNY
Munis
Independents
Healthcare

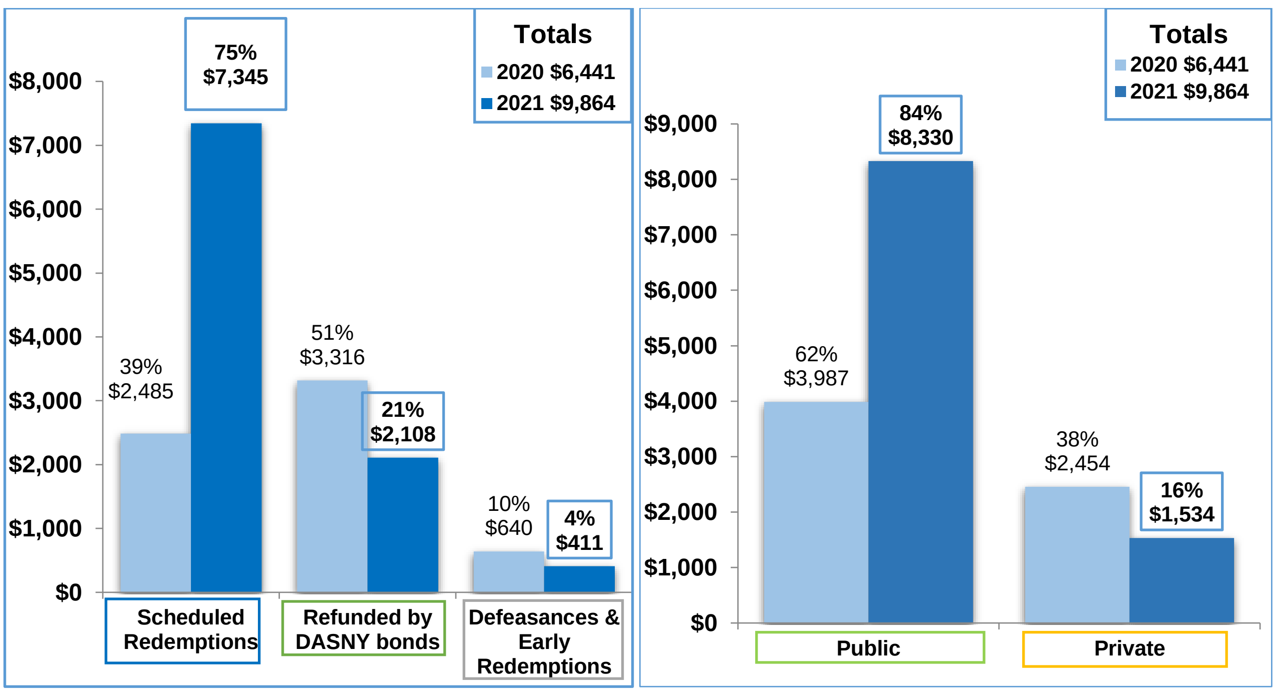

Refundings ($in millions)
$1,600
$1,400
$1,200
$1,000
$800
$600
$400
$200
$0
$384
$348
$1,403
$831
$402
$319
$0
$0
$1,115
$500
$159
$0
Public Totals
2020 $2,189
2021 $1,498
Totals
2020 $3,463
2021 $1,998
Private Totals
2020 $1,274
2021 $500
NYS Agencies
SUNY
CUNY
Munis
Independents
Healthcare


Refinancings ($in millions)
$700
$600
$500
$400
$300
$200
$100
$0
$79
$216
$0
$0
$0
$0
$410
$396
$38
$17
$70
$0
Public Totals
2020 $489
2021 $612
Totals
2020 $597
2021 $629
Private Totals
2020 $108
2021 $17
NYS Agencies
SUNY
CUNY
Munis
Independents
Healthcare

Bonds and Notes Retired

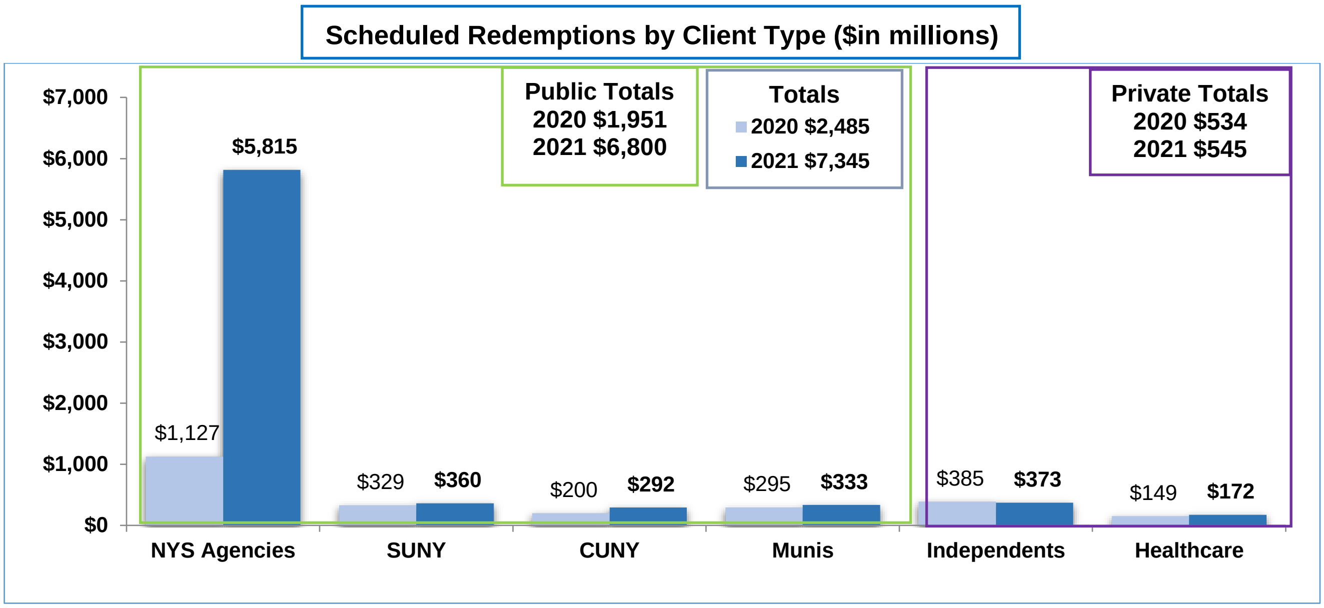
Bond retirements were $3.4 billion higher in 2021, primarily due to a higher level of scheduled redemptions related to short term facilities issued on behalf of the State. As shown in the charts below, scheduled redemption of DASNY bonds contributed over 75% of DASNY's bond retirement activity in 2021, compared with 39% in the prior year driven by public clients.

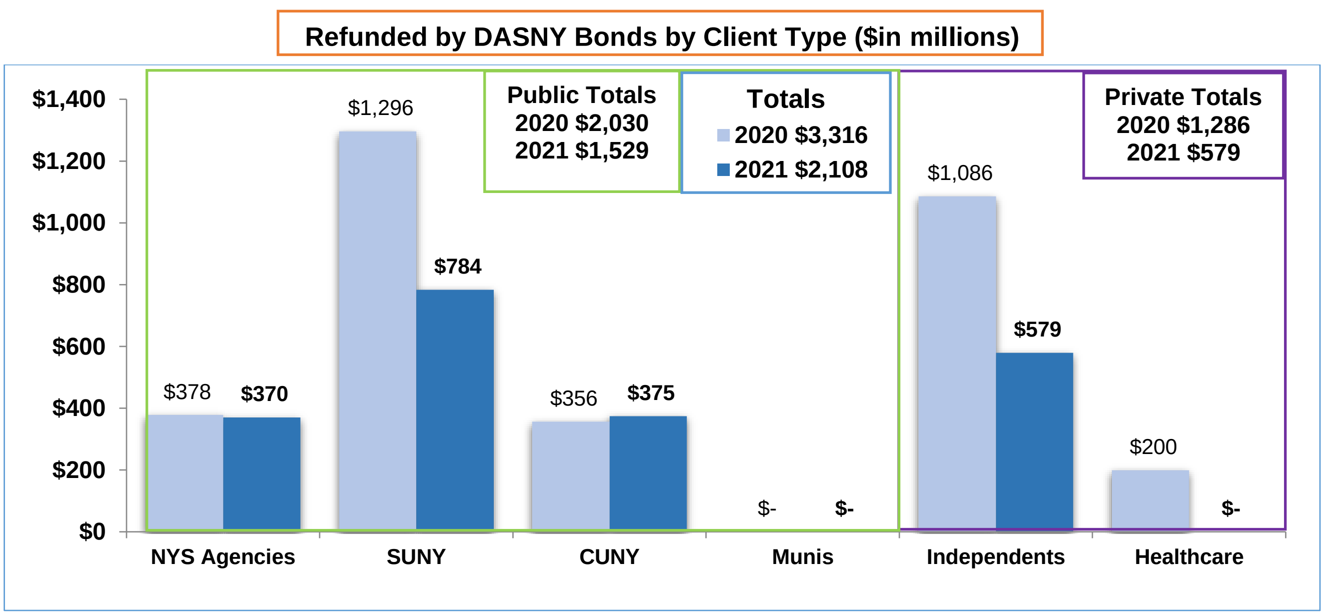
Par Amount of Bonds Retired ($in millions)



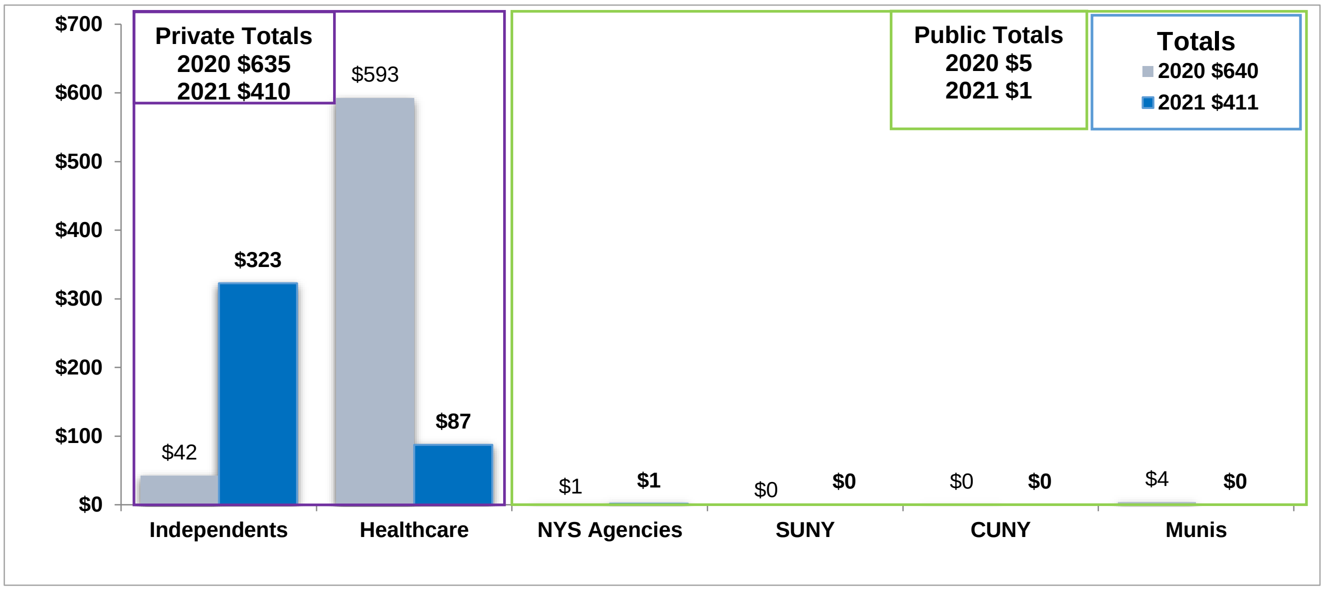
The amount refunded by DASNY presented above varies from the amount of refunding debt issued shown in the previous chart due to several factors. Original issue premium on the new bonds issued, balances available in existing bond accounts, and lower interest rates on the new bonds as compared to interest 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.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
(A Component Unit of the State of New York)
Management's Discussion and Analysis
March 31, 2021
(Unaudited)





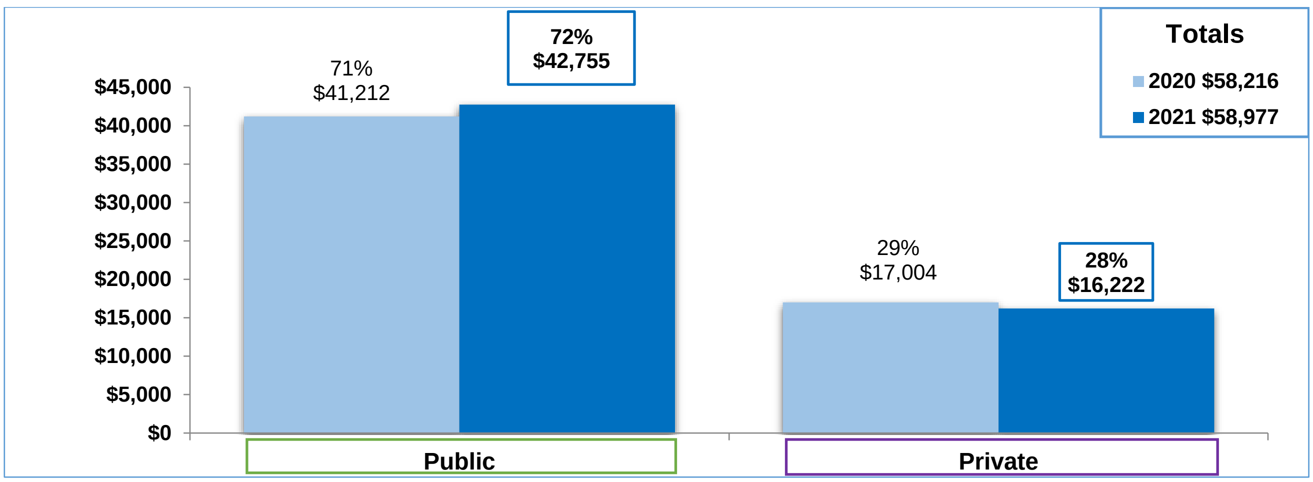
Defeasances & Early Redemptions by Client Type ($in millions)

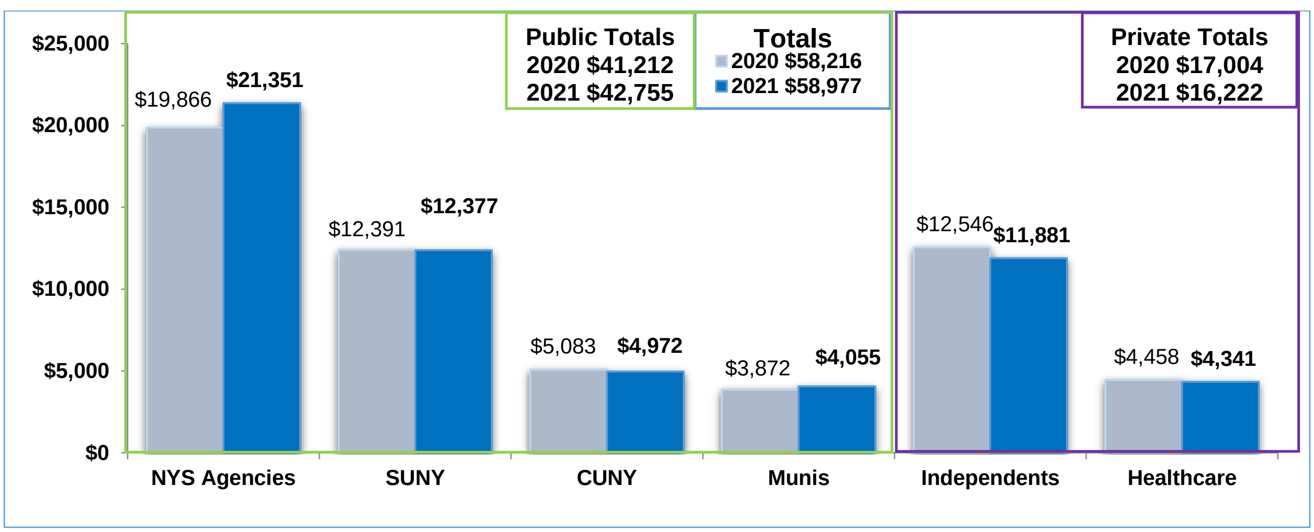


Bonds and Notes Outstanding

As shown on the following page, approximately 70% of DASNY's outstanding bonds and notes are related to its public clients, nearly 80% of that portion related to NYS agencies and SUNY. During 2021, the outstanding balance increased $761 million (1%). (See note 7 to the basic financial statements for more detailed information.)

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

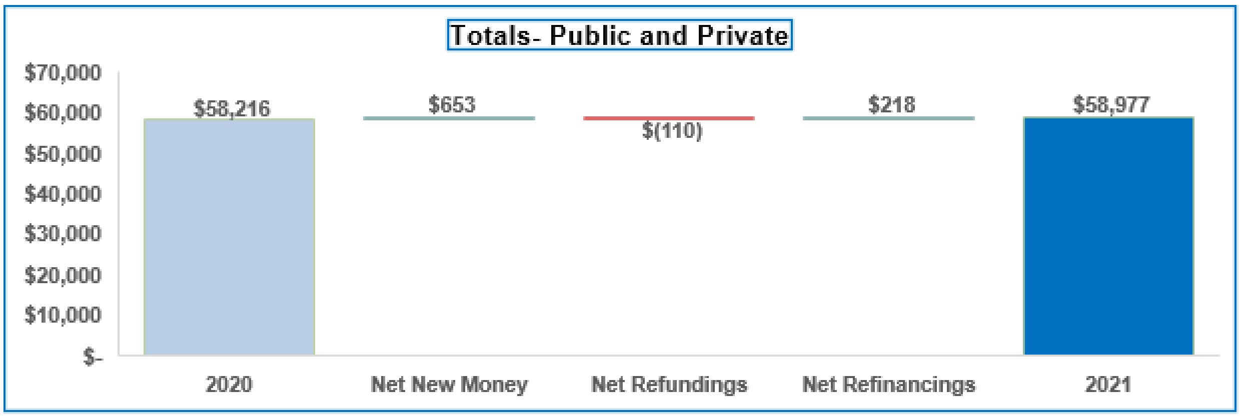


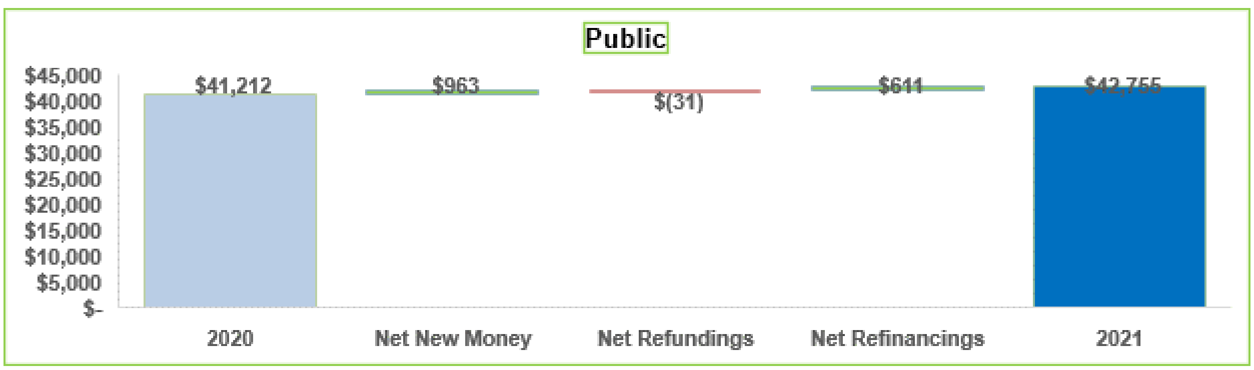


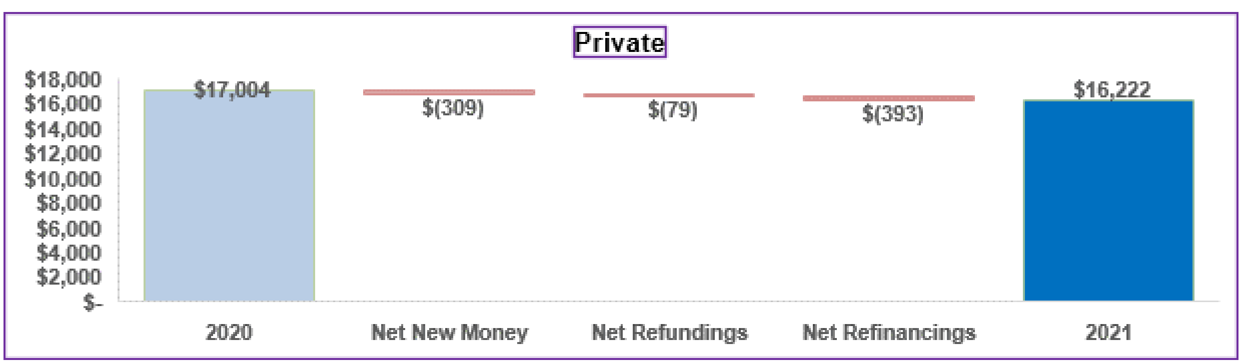
The following three charts show the rollforward of Bonds and Notes Outstanding as of March 31, 2020 and March 31, 2021. Net New Money is the net balance of New Money and Scheduled Redemptions, Net Refundings is the net balance of Refundings and Refunded by DASNY bonds, and Net Refinancings is the net balance of Refinancings and Defeasances & Early Redemptions.

As shown on the following page, the increase in Bonds and Notes Outstanding as of March 31, 2021 was due primarily to the increases of Net New Money from public clients. Consistent with their proportionate share of the total bonds outstanding, public clients accounted for all of 2021's increase in outstanding debt, net of the 5% decrease in outstanding debt for private clients.

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



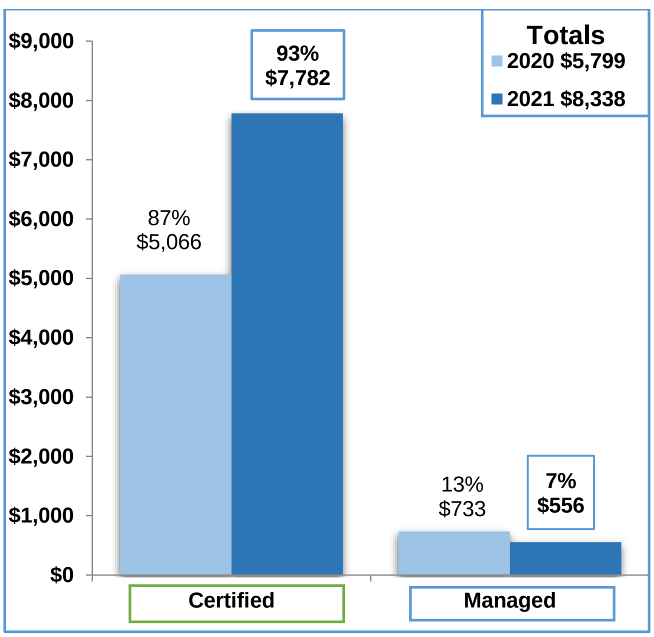


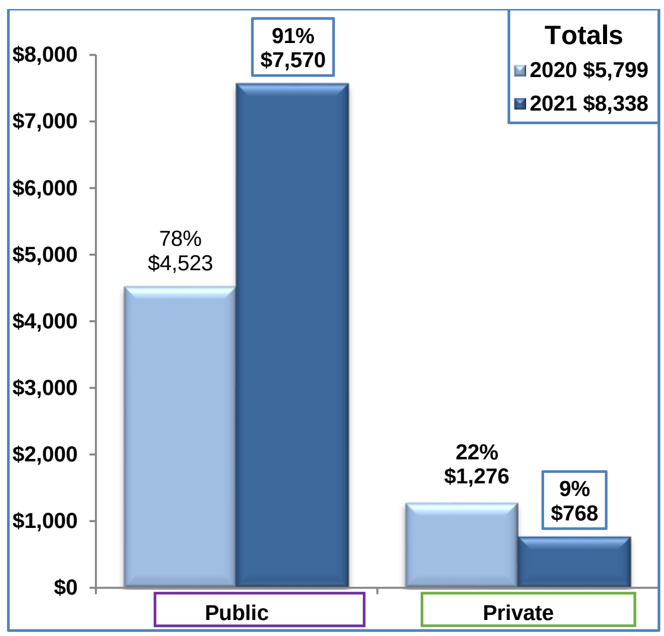


Construction Management Activities

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 (93% in 2021) come from reimbursements to clients for their internally managed projects. From a customer perspective, DASNY's Construction Management activities are concentrated (91% in 2021 and 78% 2020) with its public clients. During 2021, increased requests for reimbursement from public clients for Certified Construction Disbursements of approximately $3.2 billion drove the overall increase in activity between 2020 and 2021. This increase combined with a $0.5 billion decrease in private clients decreased the private clients' proportionate share of total construction expenditures to 9% in 2021 from 22% in 2020.

Construction and Loan Disbursements* ($in millions)



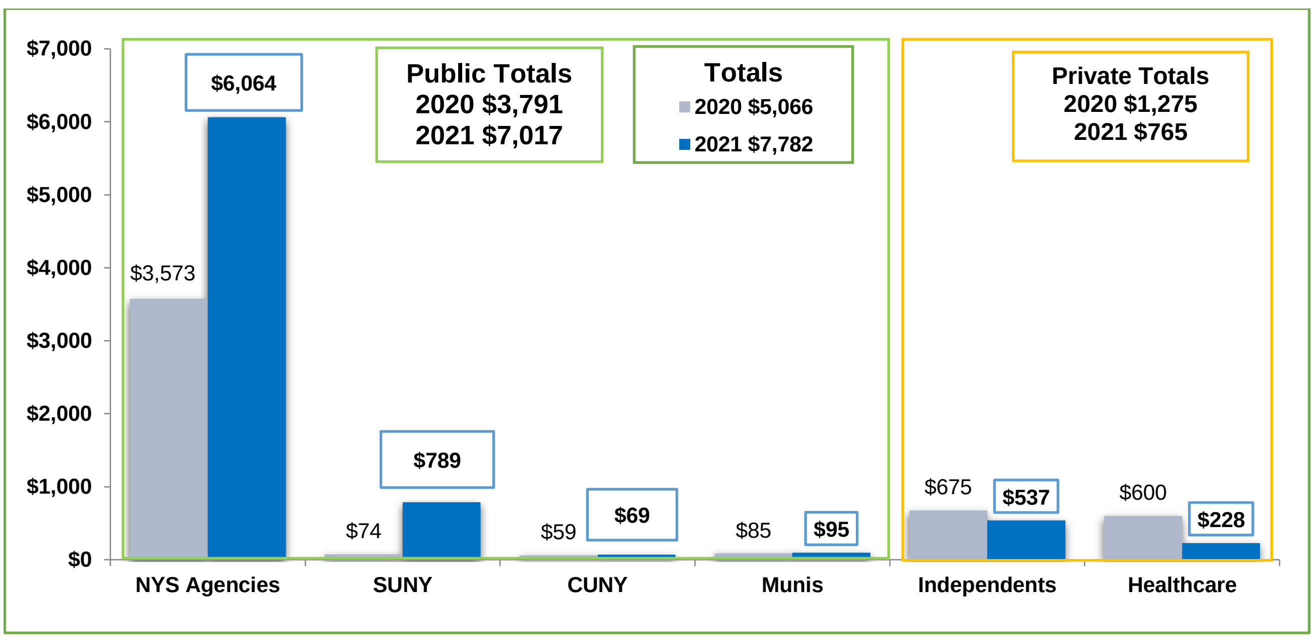


* Included in the captions "Construction, Loan and Other Disbursements" and "Project Funds Disbursed" on the Statement of Cash Flows. These captions also included loan payoffs, defeasance of non-DASNY debt, costs of issuance, and capitalized fees and expenses.

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.

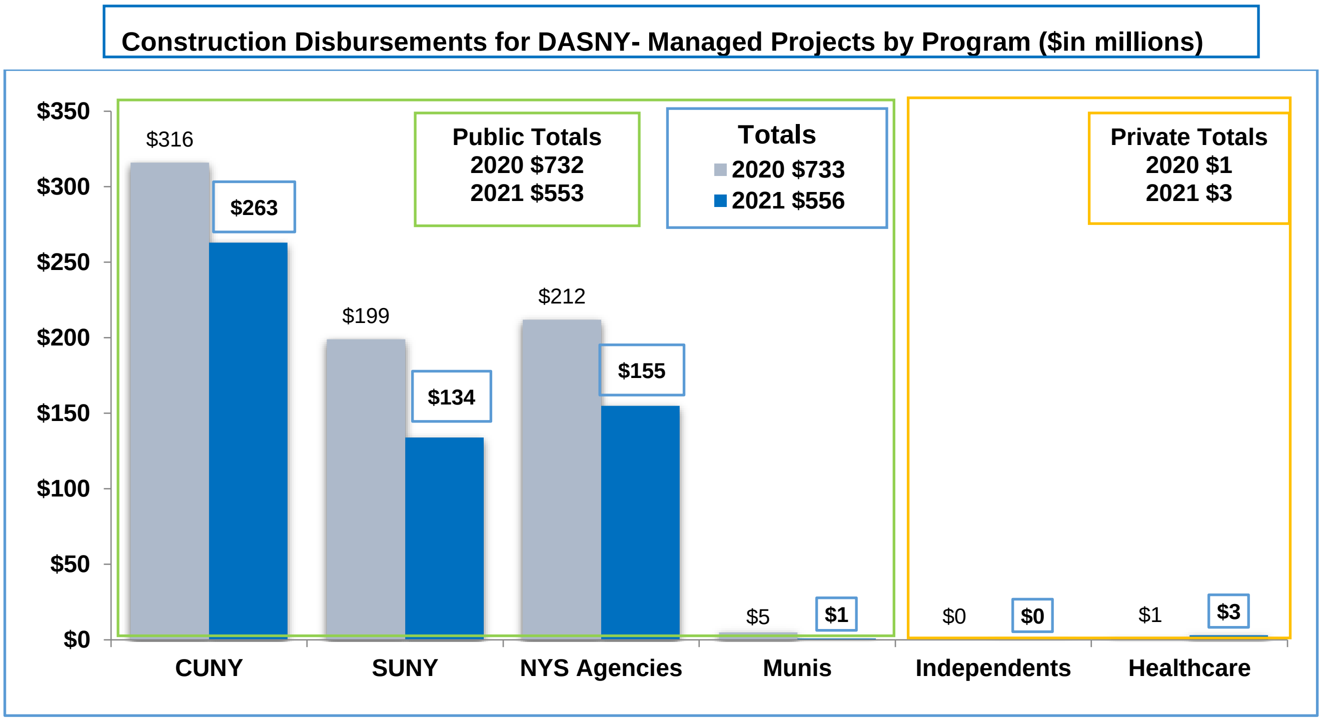
In 2021 and 2020, Certified Construction Disbursements for NYS Agencies and SUNY programs totaled $6.9 billion and $3.6 billion, respectively, accounting for approximately 88% and 72% of the Certified Disbursements in each year and over half of each year's total construction disbursements. The increase of $3.3 billion was primarily due to disbursements made under the two State PIT Notes issued for working capital purposes to assist the State through potential cashflow needs as a result of the deferral of the federal income tax payment deadline and the corresponding extension of the State's tax filing deadline.

Certified Construction Disbursements by Program ($in millions)



While the DASNY-Managed Projects represent only 7% 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. During 2021, construction disbursements for DASNY-Managed Projects decreased $177 million or 24% primarily related to initial project site closures at the initial onset of the COVID-19 pandemic. A number of the projects were deemed essential and reopened once proper safety protocols were put into place.

(Continued)

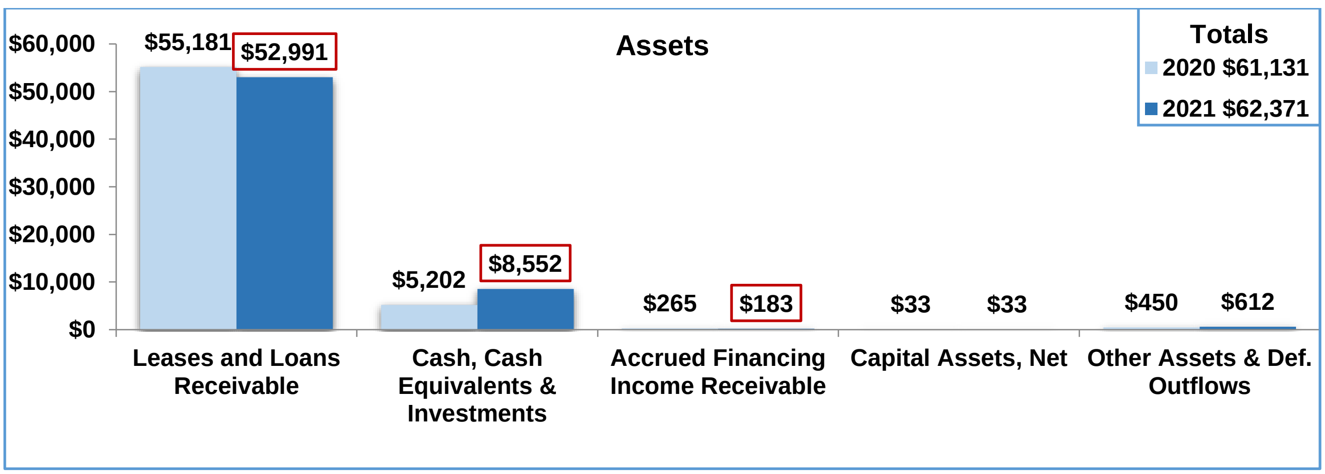

Construction Disbursements for DASNY- Managed Projects by Program ($in millions)
Public Totals
2020 $732
2021 $553
Totals
2020 $733
2021 $556
Private Totals
2020 $1
2021 $3
$350
$300
$250
$200
$150
$100
$50
$0
$316
$263
$199
$134
$212
$155
$5
$1
$0
$0
$1
$3
CUNY
SUNY
NYS Agencies
Munis
Independents
Healthcare

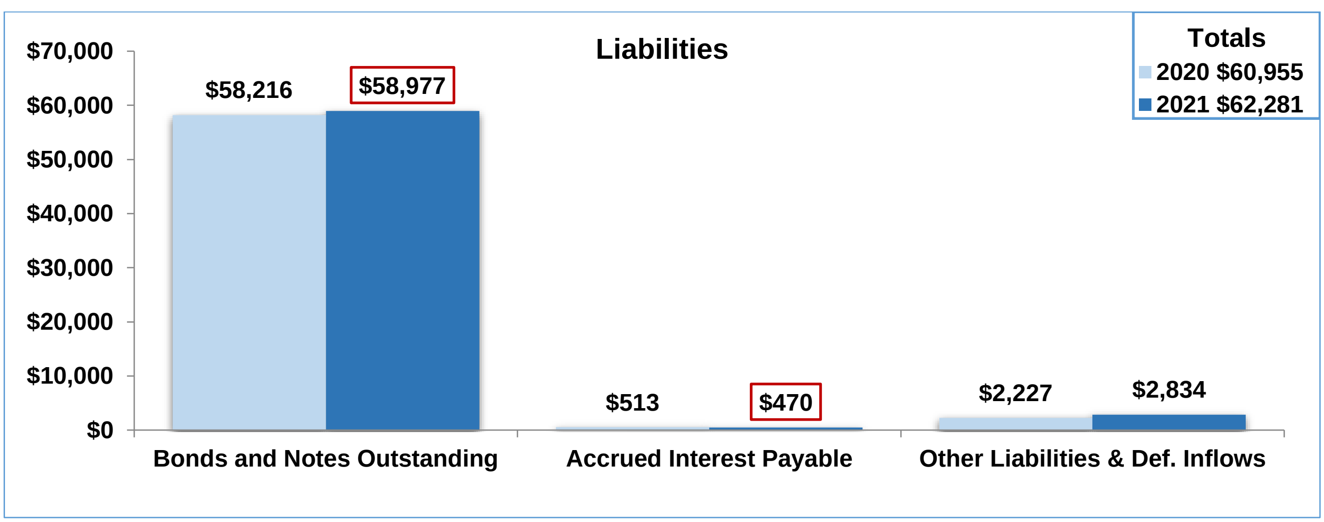
Financial Analysis

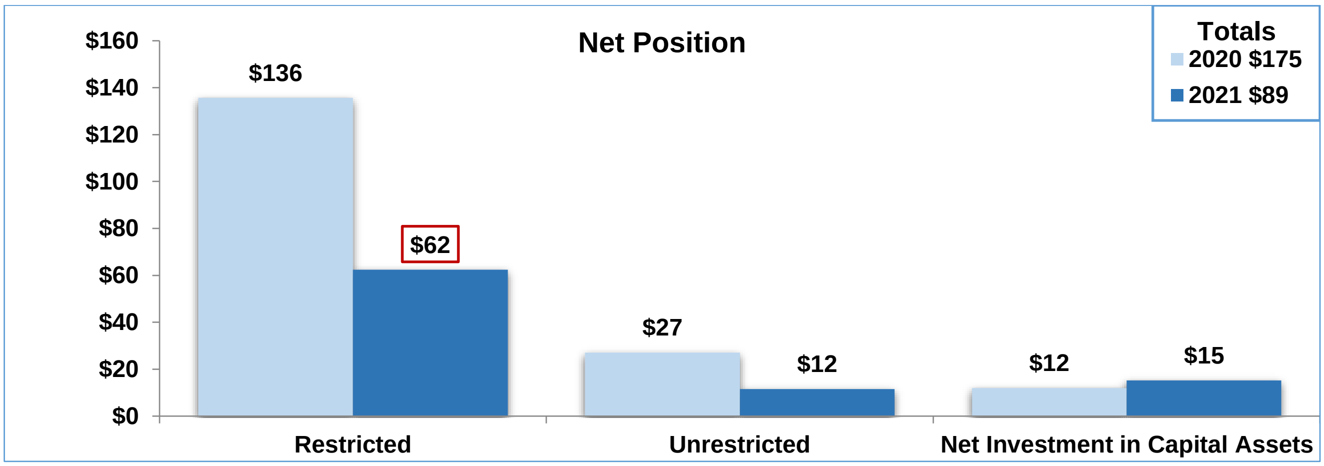
Statement of Net Position

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)







Assets and Deferred Outflows of Resources

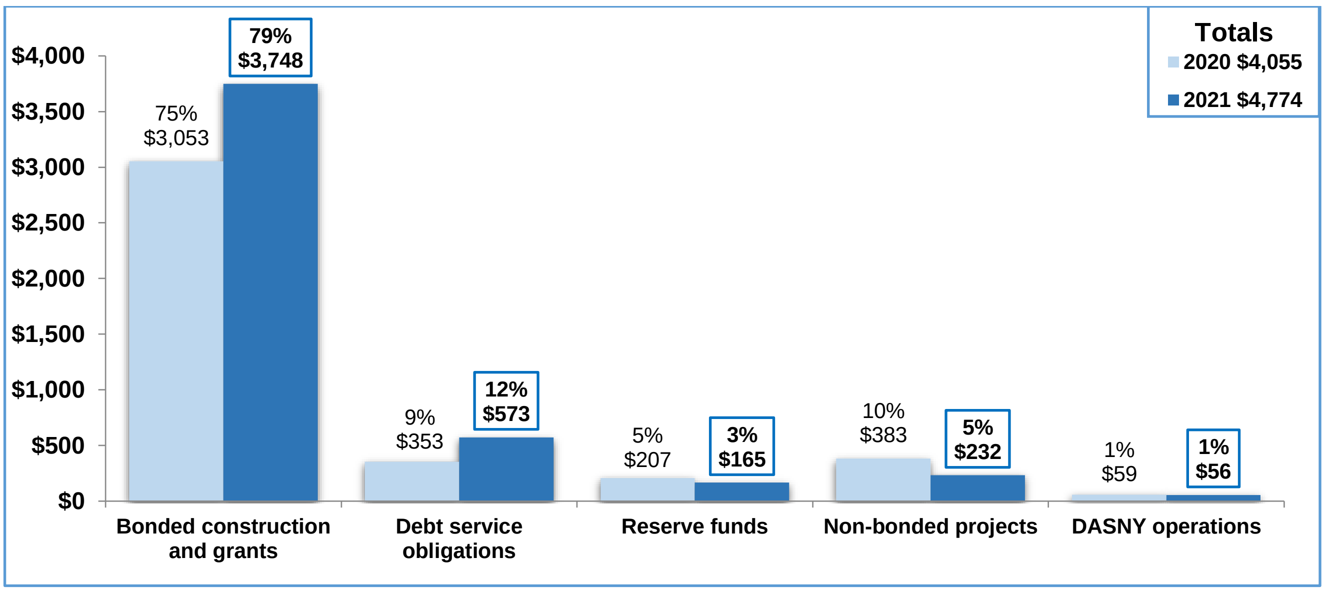
DASNY's assets are comprised primarily of (1) Leases and Loans Receivable, and (2) Cash, Cash Equivalents and Investments. The balance of DASNY's assets include (1) Accrued Financing Income Receivable, (2) DASNY's capital assets and those of its subsidiary Atlantic Avenue Holding Corporation, and (3)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

As highlighted in the chart below, DASNY's investment portfolio consists primarily (over 90%) of 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 $700 million (18%) during 2021 primarily due to new money bond issuance activity and amounts invested for payment of debt service due on April 1, 2021, which typically would be held in cash.

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



* An additional $3.7 billion and $957 million of money market funds as of March 31, 2021 and 2020, 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, and other receivables.

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.

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 70% of the total. The balance decreased $74 million during 2021 primarily due to reduced interest income as a result of significantly lower interest rates.

Unrestricted Net Position relates to DASNY's operating activities and accounts for 13% of DASNY's Net Position. The balance decreased $15 million during 2021 primarily due to an increase in the net pension liability and the use of prior year surpluses to cover operating costs. 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. The balance increased $3 million during 2021 primarily due to furniture and fixture purchases related to the relocation of DASNY's New York City offices, construction management system software and other repairs at DASNY's Albany headquarters building.

Statement of Net Position – 2021 Activity

DASNY's Statement of Net Position decreased $86 million primarily due to the changes in Restricted and Unrestricted Net Position described above.

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

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.

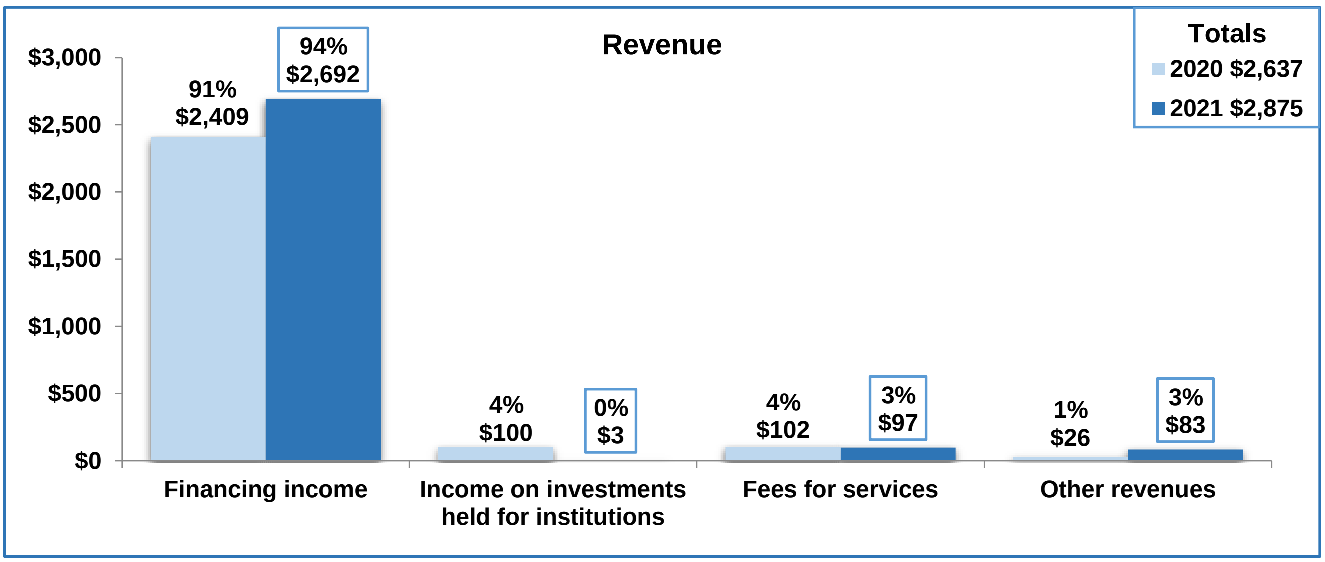
Fluctuations in Other Revenues reflect the relative amounts of contributions deposited to meet reserve requirements along with investment income available in construction accounts and transferred to other restricted bond and note accounts.

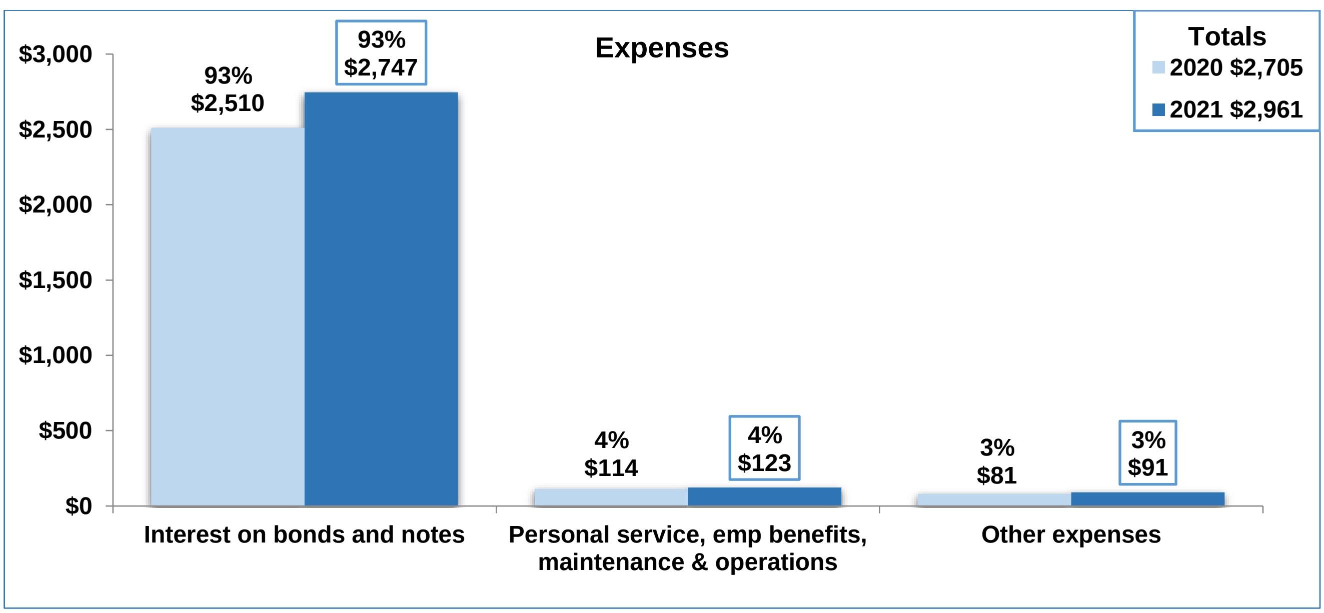
DASNY's operating activity is primarily reflected in the following categories:

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

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





Statement of Revenues, Expenses, and Changes in Net Position - 2021 Activity

Financing Income and Interest on Bonds and Notes increased due to bond issuance activity during 2021.

Income on Investments held for institutions decreased $96 million, or 97% primarily due to lower interest rates.

Fees for Services of $97 million decreased $5 million primarily due to a fewer number of private client bond issuances and a decline in construction management activity due to project delays related to the COVID-19 pandemic in 2021.

Other Revenue increased $57 million, or 225% due to a decrease of $4 million in Contributions of Cash and Investments and a $61 million increase in Other Revenue. The increases were mainly due to amounts received from the State for line of credit administration fees ($22M), liquidation proceeds related to Interfaith bankruptcy paid to Atlantic Avenue ($8M) and a receivable for Atlantic Avenue related to a note restructuring ($29M).

Personal Service and Employee Benefits, increased by $9 million (10%) during 2021, primarily due to higher pension expense due to changes in expected earnings on pension plan investments.

Maintenance and Operations Expenses increased $0.5 million (2%) in 2021, primarily due to higher insurance premiums.

Other Expenses increased $10 million, or 13% primarily due to a decrease of $22 million in Amounts returned to Institutions and a $42 million increase in Other Expenses. The increases were mainly due to write-offs related to Atlantic Ave note receivable and disbursements for line of credit administration fees net of a reduction 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, 2021

(in thousands)

Assets and Deferred Outflows of Resources		
Current assets:		
Cash and cash equivalents (note 3)	$	3,778,106
Investments (note 3)		738,139
Leases and loans receivable, net (note 4)		3,594,414
Project funds receivable		266,000
Accrued financing income receivable		183,125
Accrued interest receivable on investments		2,269
Other receivables (note 2g)		37,676
Total current assets		8,599,729
Investments (note 3)		4,035,879
Leases and loans receivable, net (note 4)		49,395,996
Project funds receivable		70,451
Other receivables (notes 2g and 12)		175,554
Capital assets, net (note 5)		33,424
Total assets		62,311,033
Deferred outflows of resources (note 2i, 11 and 12)		60,027
Total assets and deferred outflows of resources	$	62,371,060
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Accounts payable and accrued expenses	$	216,264
Bonds and notes outstanding (notes 6 and 7)		4,085,369
Accrued interest payable		470,100
Unearned financing income		719,793
Amounts held for institutions (note 6)		184,619
Due to New York State (note 6)		981,787
Current portion of other long-term liabilities (note 6)		4,704
Unearned fees for services		51,424
Total current liabilities		6,714,060
Bonds and notes outstanding (notes 6 and 7)		54,892,030
Amounts held for institutions (note 6)		333,847
Due to New York State (note 6)		12,632
Other long-term liabilities (note 6)		315,170
Total liabilities		62,267,739
Deferred inflows of resources (note 2i, 11 and 12)		14,248
Total liabilities and deferred inflows of resources	$	62,281,987
Net Position		
Net investment in capital assets (note 5)	$	15,163
Restricted		62,349
Unrestricted (note 13)		11,561
Total net position	$	89,073

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, 2021

(in thousands)

Operating revenues:		
Financing income	$	2,691,707
Income on investments held for institutions		3,412
Fees for services		97,423
Contributions of cash and investments		2,769
Other		80,060
Total operating revenues		2,875,371
Operating expenses:		
Interest on bonds and notes		2,746,799
Amounts returned to institutions		6,260
Reduction of leases and loans receivable due to redemption of bonds		4,561
Personal service and employee benefits		97,366
Maintenance and operations		26,137
Other		79,906
Total operating expenses		2,961,029
Operating loss		(85,658)
Nonoperating revenues:		
Income on investments held for DASNY		69
Decrease in net position		(85,589)
Net position, beginning of year		174,662
Net position, end of year	$	89,073

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, 2021

(in thousands)

Cash flows from operating activities:	
Fees for services	$ 96,912
Amounts received from institutions	2,946
Project funds received	453,425
Dormitory rent receipts	291,575
Permit and patient income receipts	1,496,864
Special purpose healthcare loan receipts	28,217
Other receipts	45,093
Personal service and employee benefits	(78,771)
Maintenance and operations	(27,323)
Permit and patient income transferred to New York State	(1,500,724)
Project funds disbursed	(433,836)
Dormitory rent disbursements	(422,372)
Amounts returned to institutions	(11,328)
Other disbursements	(49,892)
Net cash used in operating activities	(109,214)
Cash flows from noncapital financing activities:	
Proceeds from the issuance of bonds and notes	11,692,432
Amounts transferred to escrow to defease debt	(2,313,005)
Principal repayments of bonds and notes	(7,472,507)
Interest paid on bonds and notes	(2,817,193)
Net cash used in noncapital financing activities	(910,273)
Cash flows from capital financing activities:	
Acquisition of property and equipment	(3,894)
Net cash used in capital financing activities	(3,894)
Cash flows from investing activities:	
Purchases of investments	(18,646,619)
Proceeds from sales and maturities of investments	17,905,226
Income on investments	31,682
Construction, loan, and other disbursements	(8,899,238)
Principal receipts on leases and loans receivable	9,812,715
Financing income	3,451,490
Net cash provided by investing activities	3,655,256
Net increase in cash and cash equivalents	2,631,875
Cash and cash equivalents, beginning of year	1,146,231
Cash and cash equivalents, end of year	$ 3,778,106

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, 2021

(in thousands)

Operating loss	$	(85,658)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense		2,279
Interest on bonds and notes		2,746,799
Income on investments held for institutions		(3,412)
Financing income		(2,691,707)
Reduction of leases and loans receivable due to redemption of bonds		4,561
Amounts transferred to escrow to defease debt		3,868
Assets received from escrow		(221)
Other expenses		4,070
Change in assets and liabilities:		
Decrease in leases and loans receivable		18,364
Increase in deferred outflows of resources		(35,314)
Increase in project funds receivable		(131,750)
Increase in other receivables		(5,763)
Increase in accounts payable and accrued expenses and other long-term liabilities, net of construction funds		16,697
Increase in due to New York State		157,484
Decrease in amounts held for institutions		(116,648)
Increase in unearned fees for services		2,392
Increase in deferred inflows of resources		4,745
Total adjustments		(23,556)
Net cash used in operating activities	$	(109,214)

See accompanying notes to basic financial statements.

(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

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 2021, DASNY adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB Statement No. 88). GASB Statement No. 88 defines debt for purposes of disclosure in notes to financial statements and requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to the financial statements, GASB Statement No. 88 also requires that existing and additional information for direct borrowings and direct placements of debt be presented separate from other debt. Adoption of GASB Statement No. 88 had no impact on DASNY's net position, however, it did result in additional disclosures related to debt.

(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 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.

(Continued)

Interest paid from bond proceeds during the construction period, capitalized interest, is recorded as an increase to the receivables. Capitalized interest was approximately $42 million for the fiscal year ended March 31, 2021. Income earned on construction fund investments during the construction period is recorded as a reduction of the receivables. Construction fund investment income was approximately $2 million for the fiscal year ended March 31, 2021.

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 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, 2021, DASNY recorded $256 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.

(Continued)

(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 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	$	26,173	13,237
Pension activities		33,854	1,011
Total	$	60,027	14,248

(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, or to redeem a portion of the North General Hospital Series 2003 Bonds, as well as the rent collected from Interfaith Medical Center to pay costs incurred in connection with properties owned by Atlantic Avenue, or to pay a portion of the debt service for the Interfaith Medical Center Series 2007 Bonds 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 $5.3 million were recorded at March 31, 2021 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 $4.8 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, 2021. 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 State and 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 related lease and financing agreements between DASNY and the State or the City include provisions that obligate the State or 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 State and the City are not considered associated with hedgeable items. 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;
- 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.

The amount of investments by type and maturity, at March 31, 2021 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, 2021 include $532 million for debt service payments to be made in the fiscal year ended March 31, 2022 which is restricted by the underlying bond and note resolutions. Also included in investments reported as current at March 31, 2021 are investments held for DASNY operations, nonbond related capital projects and rehabilitation and renovation of projects totaling $206 million.

Investment type	Amount	Percentage of total	Maturities (in years) Less than 1	1-5	More than 5
	(In thousands)				
Recorded at fair value:					
Obligations of the United States Government:					
U.S. Treasury notes/bonds	$ 462,432	9.7 %	$ 438,005	24,427	—
U.S. Treasury bills	4,146,982	86.8	4,146,982	—	—
	4,609,414	96.5	4,584,987	24,427	—
Federal agency, notes and debentures:					
Federal National Mortgage Association (FNMA)	81,486	1.7	—	42,383	39,103
Federal Home Loan Bank (FHLB)	8,129	0.2	8,129	—	—
Federal Home Loan Mortgage Corp. (FHLMC)	32,695	0.7	—	32,695	—
Federal Farm Credit Bank (FFCB)	24,684	0.5	24,684	—	—
	146,994	3.1	32,813	75,078	39,103
Recorded at cost:					
Certificates of indebtedness	12,750	0.3	4,341	8,409	—
Certificates of deposit	4,860	0.1	4,860	—	—
	17,610	0.4	9,201	8,409	—
Total	$ 4,774,018	100.0 %	$ 4,627,001	107,914	39,103

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

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, 2021, DASNY held approximately $147 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, 2021, DASNY held approximately $3.7 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, 2021, DASNY had bank deposits of $67 million of which $12 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, $37 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, 2021, DASNY had no more than 5% of its investments in any single issuer.

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.

(Continued)

At March 31, 2021, DASNY had the following fair value measurements (in thousands):

	March 31, 2021	Fair value measurement using: Quoted prices in active markets for identical assets (Level 1)	Fair value measurement using: Significant other observable inputs (Level 2)
Investments by fair value level:			
U.S. Treasuries	$ 4,609,414	202,810	4,406,604
Federal agencies	146,994	—	146,994
Money market mutual funds	3,745,398	3,745,398	—
Total investments measured at fair value	$ 8,501,806	3,948,208	4,553,598

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.

Leases and Loans Receivable at March 31, 2021 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:				
2022	$ 2,776,885	1,646,649	84,934	4,508,468
2023	2,848,898	1,623,197	85,480	4,557,575
2024	2,756,976	1,556,228	82,762	4,395,966
2025	2,794,061	1,470,126	78,889	4,343,076
2026	3,433,969	1,452,472	78,989	4,965,430
Thereafter	41,789,915	21,436,372	1,610,459	64,836,746
Total minimum payments receivable	56,400,704	29,185,044	2,021,513	87,607,261
Less future financing income, unexpended bond proceeds, and other credits	22,000,231	12,096,034	520,586	34,616,851
Total leases and loans receivable, net	34,400,473	17,089,010	1,500,927	52,990,410
Less current leases and loans receivable, net	1,809,606	1,680,034	104,774	3,594,414
Long-term leases and loans receivable, net	$ 32,590,867	15,408,976	1,396,153	49,395,996

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, 2021.

(5) Capital Assets

Capital assets, net at March 31, 2021 consisted of the following (dollars in thousands):

	2020	Additions	Deletions	2021
Capital assets:				
Land:				
DASNY	$ 1,083	—	—	1,083
Atlantic Avenue	1,306	—	(591)	715
Buildings:				
DASNY	23,388	—	—	23,388
Atlantic Avenue	34,366	—	—	34,366
Equipment – DASNY	14,813	4,053	(8)	18,858
Total capital assets	74,956	4,053	(599)	78,410
Less accumulated depreciation:				
DASNY	27,310	856	—	28,166
Atlantic Avenue	15,397	1,423	—	16,820
Total accumulated depreciation	42,707	2,279	—	44,986
Capital assets, net	$ 32,249	1,774	(599)	33,424

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

(6) Long-Term Liabilities

DASNY's long-term liabilities as of March 31, 2021, including the current portion, are comprised of the following (in thousands):

		Beginning balance	Additions	Deletions	Ending balance	Due within one year
Bonds and notes payable	$	58,215,650	10,625,159	(9,863,410)	58,977,399	4,085,369
Other long-term liabilities:						
Accrued retainage	$	54,045	16,656	(25,604)	45,097	4,613
Compensated absences		4,189	1,070	—	5,259	—
Total OPEB liability		208,308	35,889	(15,603)	228,594	—
Net pension liability		11,133	36,390	(7,229)	40,294	—
Other		400	411	(181)	630	91
Total other long-term liabilities	$	278,075	90,416	(48,617)	319,874	4,704
Due to New York State	$	147,019	3,063,769	(2,216,369)	994,419	981,787
Amounts held for institutions	$	635,114	448,689	(565,337)	518,466	184,619

(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 as conduit debt are categorized as State related debt. This includes debt for the State University, City University, New York State agencies, and the three Healthcare Facilities detailed below.

	Bonds and Notes Outstanding	Assets Pledged as Collateral	Events of Default	Termination Events	Subjective Acceleration Clauses
Healthcare Facilities (detailed in Supplemental Schedule 5):					
Secured Hospital (North General Hospital), Series 2003	$ 34,080	(1)	(13)	(17)	(18)
Secured Hospital (Interfaith Medical Center), Series 2007	61,010	(1)	(13)	(17)	(18)
Secured Hospital (Wyckoff Heights Medical Center), Series 2015	4,925	(1)	(13)	(17)	(18)
Conduit debt publicly offered	3,943,830	NA	NA	NA	NA
Conduit debt direct placement	297,035	NA	NA	NA	NA
Total Healthcare Facilities	4,340,880				
Independent Institutions (detailed in Supplemental Schedule 5):					
Conduit debt publicly offered	10,768,640	NA	NA	NA	NA
Conduit debt direct placement	1,112,878	NA	NA	NA	NA
Total Independent Institutions	11,881,518				
State University (detailed in Supplemental Schedule 5):					
Dormitory Facilities (Resolution dated 9/20/95)	5,495	(2)	(14)	(17)	(19)
Dormitory Facilities (Resolution dated 5/15/13)	1,892,265	(3)	(15)	(17)	(19)
Educational Facilities (Resolution dated 5/31/89)	19,251	(4)	(14)	(17)	(19)
Educational Facilities (Resolution dated 9/4/02)	609,195	(4)	(14)	(17)	(19)
Educational Facilities (PIT Education Resolution dated 7/24/02)	106,125	(5)	(16)	(17)	(20)
Educational Facilities (PIT General Purpose Resolution dated 4/29/09)	7,032,545	(5)	(16)	(17)	(20)
Educational Facilities (Sales Tax Resolution dated 9/11/13)	1,850,590	(6)	(16)	(17)	(20)
Upstate Community Colleges (Resolution dated 1/26/05)	22,040	(7)	(14)	(17)	(19)
Upstate Community Colleges (PIT Education Resolution dated 7/24/02)	7,170	(5)	(16)	(17)	(20)
Upstate Community Colleges (PIT General Purpose Resolution dated 4/29/09)	631,125	(5)	(16)	(17)	(20)
Upstate Community Colleges (Sales Tax Resolution dated 9/11/13)	201,605	(6)	(16)	(17)	(20)
Total State University	12,377,406				
City University (detailed in Supplemental Schedule 5):					
City University (Resolution dated 1/22/03)	350,400	(8)	(14)	(17)	(19)
City University (PIT Education Resolution dated 7/24/02)	68,375	(5)	(16)	(17)	(20)
City University (PIT General Purpose Resolution dated 4/29/09)	3,477,810	(5)	(16)	(17)	(20)
City University (Sales Tax Resolution dated 9/11/13)	1,075,480	(6)	(16)	(17)	(20)
Total City University	4,972,065				

	Bonds and Notes Outstanding	Assets Pledged as Collateral	Events of Default	Termination Events	Subjective Acceleration Clauses
New York State Agencies (detailed in Supplemental Schedule 5):					
Department of Health (Resolution dated 7/18/90)	$ 107,255	(9)	(14)	(17)	(19)
Department of Health Veterans Home (Resolution dated 10/30/96)	1,365	(10)	(14)	(17)	(19)
Mental Health Services Facilities (Resolution dated 2/26/03)	95,400	(11)	(14)	(17)	(19)
Multiple Purposes (PIT Education Resolution dated 7/24/02)	192,045	(5)	(16)	(17)	(20)
Multiple Purposes (PIT General Purpose Resolution dated 4/29/09)	14,833,590	(5)	(16)	(17)	(20)
Multiple Purposes (Sales Tax Resolution dated 9/11/13)	5,837,445	(6)	(16)	(17)	(20)
Employer Assessment (Resolution dated 10/9/13)	283,355	(12)	(14)	(17)	(21)
Total New York State Agencies	21,350,455				
Municipal Facilities (detailed in Supplemental Schedule 5):					
Conduit debt publicly offered	3,906,720	NA	NA	NA	NA
Conduit debt direct placement	148,355	NA	NA	NA	NA
Total Municipal Facilities	4,055,075				
Total Bonds and Notes Outstanding	$ 58,977,399				

Footnotes for the column identified as Assets Pledged as Collateral

(1) Pledged receipts; mortgage on property; security interest in fixtures, furniture, and equipment; and a Service Contract with the State should there be insufficient receipts as long as there is an annual State appropriation.

(2) Dormitory Facilities Revenue Fund held by the State’s Commissioner of Taxation and Finance where all revenues (rents, fees, charges) are deposited, as well as an annual State appropriation.

(3) Dormitory Facilities Revenue Fund held by the State’s Commissioner of Taxation and Finance where all revenues (rents, fees, charges) are deposited. Debt service payments are subordinate to bonds issued under the Resolution dated September 20, 1995.

(4) Secured by a pledge of all revenues received by the State University Construction Fund, as well as an annual State appropriation.

(5) 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 as an additional revenue source. 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.

(6) 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.

(7) 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.

(8) Secured by a pledge of all revenues received by the City University Construction Fund and an annual State and City appropriation. Certain bonds are also secured by a direct pay letter of credit.

(9) 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.

(10) Veterans Home 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.

(11) Mental Health Services Fund held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller where all mental hygiene patient care revenues and loan repayments with respect to Voluntary Agency Facilities are required to be deposited, as well as an annual State appropriation. Certain bonds are also secured by a direct pay letter of credit.

(12) 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

(13) Failure to make timely payment of amounts due and to deposit gross receipts, charter of the institution suspended, or tax exempt bonds have been deemed taxable.

(14) 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.

(15) 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. An event of default under the State University Dormitory Facilities resolution dated 9/20/95 would also trigger a default under this resolution.

(16) 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

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

Footnotes for the column identified as Subjective Acceleration Clauses

(18) Upon the written request of bondholders, of not less than 25% in principal outstanding for a particular series of bonds, the Trustee may declare all principal and interest on the outstanding bonds to be due immediately after a thirty day notice period. DASNY may also declare all sums due and payable and foreclose on the mortgaged property.

(19) 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.

(20) 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.

(21) 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.

DASNY debt includes approximately $20.18 billion of conduit debt obligations, which includes $1.56 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 Health 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 at March 31, 2021 by primary security feature (dollars in thousands):

	State Related Debt	Conduit Debt Publicly Offered	Conduit Debt Direct Placement	Total
Backed by letters of credit	$ 381,315	292,975	—	674,290
Insured by municipal bond insurance	—	1,646,175	—	1,646,175
Backed by mortgages insured by the State of New York Mortgage Agency	—	42,965	—	42,965
Backed by mortgages insured by agencies of the federal government	—	267,665	—	267,665
Payable from State and local government appropriations, state service contracts or designated income funds	36,243,006	757,290	125,500	37,125,796
Backed by pledged assets and revenues or payments	2,175,620	15,612,120	1,432,768	19,220,508
Total	$ 38,799,941	18,619,190	1,558,268	58,977,399

Fixed rate and variable rate bonds and notes are due in various installments through the fiscal year ending March 31, 2054 and bear interest at variable rates currently ranging from 0.03% per annum to 0.10% per annum, and fixed interest rates currently ranging from 0.21% per annum to 6.18% per annum.

As of March 31, 2021, DASNY had a total of $1.36 billion outstanding variable rate demand bonds, of which $651 million was secured by direct pay bank letters of credit, $312 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, $132 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 December 31, 2023.

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. With respect to variable rate demand bonds issued on behalf of its public clients, those bonds secured by liquidity or takeout agreements that expire within one year are also 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, 2021, approximately $1.3 billion of variable rate demand bonds were classified as current on the Statement of Net Position that includes $0 direct placement bonds.

DASNY, on behalf of the State, has purchased letters of credit and standby purchase agreements from various providers to ensure the liquidity needs of variable rate demand bonds can be met. As of March 31, 2021, these agreements covered $483 million of variable rate demand bonds outstanding with costs ranging from 0.42% per annum to 0.75% per annum of the amount of credit provided. In addition, remarketing agents receive annual fees ranging from 0.05% per annum to 0.1% per annum of the outstanding principal amount of the bonds. These agreements have expiration dates ranging from October 29, 2021 to December 12, 2023.

If the remarketing agent is unable to resell any bonds that are tendered by the bondholders within six months of the tender date, each agreement with the applicable liquidity provider requires the bonds to accelerate and be payable in 4 to 10 equal semi-annual principal repayments bearing an adjustable interest rate equal to the higher of the bank's prime lending rate or an index tied to the Federal Funds rate. If all the takeout agreements were to be exercised because all outstanding $483 million demand bonds were put and not resold, DASNY would be required to pay between $62 million and $133 million per year in principal repayments plus interest for 5 years under the installment loan agreements. DASNY is only obligated to make such payments from monies paid to it by the State pursuant to financing agreements related to the 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 Statement of Net Position. As of March 31, 2021, the amounts pledged are as follows (dollars in thousands):

		Conduit Debt Publicly Offered
Cash and investment (at fair value)	$	715
Surety bonds		96,998
Letters of credit		7,500
	$	105,213

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, 2021, 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:							
2022	$ 1,963,251	1,787,826	829,722	816,927	49,959	34,975	5,482,660
2023	1,808,825	1,705,109	848,914	774,283	51,593	33,887	5,222,611
2024	1,865,170	1,617,826	820,821	735,407	50,169	32,593	5,121,986
2025	2,049,680	1,525,227	778,814	691,312	47,584	31,305	5,123,922
2026	2,004,740	1,429,229	796,782	655,690	48,948	30,041	4,965,430
2027–2031	9,260,245	5,747,410	3,956,790	2,725,328	322,330	127,596	22,139,699
2032–2036	7,571,020	3,732,392	3,356,380	1,881,468	331,559	88,991	16,961,810
2037–2041	5,973,055	2,128,115	2,874,037	1,229,291	218,149	50,060	12,472,707
2042–2046	4,411,580	928,996	1,963,230	732,787	258,993	26,029	8,321,615
2047–2051	1,892,375	144,727	2,170,480	307,171	78,539	6,888	4,600,180
2052–2056	—	—	223,220	16,190	100,445	880	340,735
Total	$ 38,799,941	20,746,857	18,619,190	10,565,854	1,558,268	463,245	90,753,355

Bonds and notes maturing during the fiscal year ending March 31, 2022 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 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, 2021.

(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, 2021 was approximately $191 million.

(8) Derivative Instruments

Article 5 D of the State Finance Law authorizes the State and various public authorities that issue State supported bonds to enter into interest rate exchange agreements (swap agreements) up to certain limits and also limits the amount of outstanding variable rate State supported bonds. Additionally, 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 State and 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 State or the City include terms that obligate the State or City, subject to annual appropriation, to pay to DASNY all amounts due in connection with these swap agreements and obligate DASNY to pay the State or 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 State and 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.

At March 31, 2021, DASNY had a total of 24 pay-fixed, receive-variable State swap agreements outstanding with a total notional amount of $468 million and a negative fair value of $64 million and reciprocal swap repayment terms in lease and financing agreements with like values.

The table below summarizes the fair values, notional amounts and changes in fair value of derivative instruments outstanding as of March 31, 2021. Bracketed amounts denote negative values.

Type of derivative instrument	Notional amounts (In thousands)	Fair value classification	Swap fair value (In thousands)	Change in fair value classification	Change in fair value (In thousands)
Investment derivatives:					
Pay-fixed, receive-variable swaps:					
Swap agreements	$ 468,181	Investment	$ (64,048)	Investment income	$ 25,876
Pay-variable, receive-fixed swaps:					
Lease and financing agreements	468,181	Investment	64,048	Investment income	(25,876)
Grand total			$ —		$ —

Additionally at March 31, 2021, DASNY had a total of 2 pay-fixed, receive-variable City swap agreements outstanding with a total notional amount of $126 million and a negative fair value of $32 million and reciprocal swap repayment terms in lease and financing agreements with like values.

Type of derivative instrument	Notional amounts (In thousands)	Fair value classification	Swap fair value (In thousands)	Change in fair value classification	Change in fair value (In thousands)
Investment derivatives:					
Pay-fixed, receive-variable swaps:					
Swap agreements	$ 125,500	Investment	$ (31,507)	Investment income	$ 17,723
Pay-variable, receive-fixed swaps:					
Lease and financing agreements	125,500	Investment	31,507	Investment income	(17,723)
Grand total			$ —		$ —

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, 2021, DASNY was not exposed to credit risk on the swap agreements with $64 million in negative fair values for the State swap agreements, and $32 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 State or 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, 2021, DASNY faces a maximum credit risk exposure related to the swaps' net positive fair value of $0.

As of March 31, 2021, DASNY was exposed to credit risk on the swap repayment terms with $64 million in positive fair values for the State swap agreements, and $32 million for the City swap agreements because the State's and 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 provisions of Article 5 D of the State Finance Law, counterparties have credit ratings from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories and ratings which are obtained from any other nationally recognized statistical rating agency for such counterparty shall also be within the three highest investment grade categories, or the payment obligations of the counterparty are unconditionally guaranteed by an entity with such credit ratings. 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 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, 2021, there was no requirement for collateral to be posted. Collateral on all swap agreements related to State supported bonds is to be held by a third party custodian. 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 at March 31, 2021 are as follows:

	Moody's	S&P	Fitch
Counterparties:			
Citibank, N.A., New York	Aa3	A+	A+
Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aa2	AA-	N/A
JPMorgan Chase Bank	Aa2	A+	AA
Merrill Lynch Derivative Products AG	Aa3	AA	NR
Morgan Stanley Capital Services, Inc.	A1	BBB+	A
UBS AG	Aa3	A+	AA-
New York State General Obligations	Aa2	AA+	AA+
New York State Mental Health Services Facilities Improvement Revenue Bonds	NR	AA	AA
New York City General Obligations	Aa2	AA	AA-

Additionally, certain swap agreement payments made by DASNY are insured by various municipal bond insurance companies.

(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, 2021, outstanding revenue bonds of approximately $4.8 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, 2021, involved the issuance of fixed rate and variable rate bonds to refund previously issued fixed and variable rate bonds. The refundings totaled $1.85 billion par value of bonds (new bonds), which includes $21 million of direct placement par, to refund $2.11 billion par value of outstanding bonds (refunded bonds), (includes $21 million of direct placement par). The proceeds of $2.15 billion (includes $21 million of direct placement bonds) from the sale of new bonds, including net original issue premium, plus $11.93 million of refunded bond monies and deposits from institutions, (includes $0 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 $1.83 billion par value ($0 direct placement bonds) for new fixed rate bonds with an average interest rate of 3.57% to refund $2.09 billion par value of outstanding fixed rate bonds ($0 direct placement par) with an average interest rate of 4.81%. The proceeds of $2.13 billion ($0 direct placement proceeds) from the sale of new fixed rate bonds, including net original issue premium, plus an additional $11.93 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 $315 million ($0 direct placement bonds) in aggregate future debt service payments and a net present value economic gain of $382 million ($0 direct placement bonds) for the fiscal year ended March 31, 2021.

The remaining refundings involved either the issuance and/or the refunding of variable rate bonds and included a total of $21 million par value (includes $21 million of direct placement par) of new bonds to refund $21 million par value (includes $21 million of direct placement par) of outstanding bonds. The proceeds of $21 million (includes $21 million of direct placement proceeds) from the sale of these bonds, including net original issue premium, plus an additional $0 million of refunded bond monies and deposits from institutions ($0 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, 2021.

(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 $881 million at March 31, 2021.

(Continued)

(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, 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.

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 15.8% was applicable to the annual covered payroll for the year ended March 31, 2020. DASNY's required contribution for the fiscal year ended March 31, 2021 was $7.3 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, 2021 was $40.3 million. The net pension liability was measured as of March 31, 2020. 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, 2020, DASNY's proportion of the net pension liability was 0.15%, down slightly from the percentage at the March 31, 2019 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, 2020, measurement date was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. This actuarial valuation used the following assumptions:

Actuarial cost method	Entry age normal
Inflation	2.5 percent
Salary scale	4.2 percent indexed by service
Investment rate of return, including inflation	6.8 percent compounded annually, net of investment expenses
Cost of living adjustments	1.3 percent annually
Decrements	Developed from the Plan's 2015 experience study of the Period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2018

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 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, 2020 are summarized below:

Asset	Target Allocation	Long-term expected real rate of return
Domestic equity	36 %	4.05 %
International equity	14	6.15
Private equity	10	6.75
Real estate	10	4.95
Absolute return strategies	2	3.25
Opportunistic portfolio	3	4.65
Real assets	3	5.95
Bonds and mortgages	17	0.75
Cash	1	—
Inflation Indexed bonds	4	0.50
	100 %	

The discount rate used to calculate the total pension liability at March 31, 2020 was 6.8%, down slightly from 7% at the March 31, 2019 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.

(Continued)

The following presents DASNY's current period net pension liability calculated using the current period discount rate assumption of 6.8%, 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 (5.8%) or 1 percentage point higher (7.8%) than the current assumption (in thousands):

		1% Decrease (5.8%)	Current assumption (6.8%)	1% Increase (7.8%)
DASNY net pension liability (asset)	$	73,950	40,294	9,296

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

At March 31, 2021, 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	$	2,371	—
Changes of assumptions		811	701
Net difference between projected and actual earnings on plan investments		20,656	—
Changes in proportion and differences between DASNY contribution and proportionate share of contributions		2,719	310
Contributions subsequent to the measurement date		7,297	—
Total deferred outflows/inflows of resources	$	33,854	1,011

Deferred outflows of resources of $7.3 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, 2022.

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):

2021	$	4,808
2022		6,541
2023		7,998
2024		6,199
Total	$	25,546

(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, 2021 is $14.8 million.

(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, 2021 is $115 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 894 participants consisting of 514 current employees, 0 retirees entitled to benefits under DASNY but not yet receiving, and 380 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, 2021, the portion of the OPEB expense allocable to certain public clients was 91% and will be paid from future fees to be collected. A receivable in the amount of $155.1 million is included in Other Receivables—noncurrent in the Statement of Net Position at March 31, 2021. 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, 2021, with $10.1 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, 2021 was measured as of March 31, 2020 and determined by a valuation as of March 31, 2020. The measurement of the total OPEB liability at March 31, 2020 used the following actuarial assumptions:

Valuation date	March 31, 2020
Inflation	2.50%
Salary increase rate	3.00% per year
Discount rate	2.94%
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).

(d) Accounting Information

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

		Total OPEB Liability (In thousands)
Total OPEB Liability, beginning balance	$	208,308
Service cost		7,450
Interest		7,017
Differences between expected and actual experience		(10,662)
Changes in assumptions		21,422
Benefit payments		(4,941)
Net changes		20,286
Total OPEB Liability, ending balance	$	228,594

Changes of assumptions and other inputs include a change in the discount rate from 3.29% in the prior year to 2.94% in the current year. The decrease in the discount rate used to value the liability accounts for a $12.5 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 1.94%	Current rate 2.94%	1% Increase 3.94%
Total OPEB Liability March 31, 2021	$	270,631	228,594	195,227

(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, 2021	$	194,352	228,594	272,311

DASNY recognized $16.5 million in expenses related to OPEB for the year ended March 31, 2021. At March 31, 2021, 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	$	21,007	4,534
Differences between expected and actual experience		—	8,703
Employer contributions subsequent to measurement date		5,166	—
Total	$	26,173	13,237

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):

2022	$	2,057
2023		2,057
2024		1,666
2025		1,120
2026		870
Total	$	7,770

(13) Unrestricted Net Position

Unrestricted Net Position includes amounts that are not appropriable for operating expenses and are Board designated for a specific future use. Designations at March 31, 2021 are as follows (in thousands):

Designated:		
Health care institution assistance	$	26,226
Advance funding new projects		5,000
Coverage for financial risks associated with directors and officers liability insurance policies		1,563
Women/Minority Business Enterprises capital access, training and development		3,491
Reserve for replacement of corporate facilities		5,334
Reserve for 21st Century Technology Transformation		2,489
Reserve for Evolution		1,181
Total designated		45,284
Undesignated [1]		(33,723)
Total net position unrestricted	$	11,561

[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)

	2021	2020	2019	2018	2017	2016	2015
DASNY's proportion of the net pension liability	0.15 %	0.16 %	0.15 %	0.15 %	0.15 %	0.16 %	0.16 %
DASNY's proportionate share of the net pension liability	40,294	11,133	4,686	13,797	24,119	5,259	7,035
Covered payroll	52,380	52,200	51,472	46,666	45,656	44,162	45,270
Net pension liability as a percentage of covered payroll	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	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
(A Component Unit of the State of New York)

Required Supplementary Information

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

(Dollars in thousands)

		2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$	7,297	7,230	7,232	6,805	6,875	7,716	7,980
Contributions in relation to the contractually required contribution		(7,297)	(7,230)	(7,232)	(6,805)	(6,875)	(7,716)	(7,980)
Contribution deficiency (excess)	$	—	—	—	—	—	—	—
Covered payroll	$	52,890	52,380	52,200	51,472	46,666	45,656	44,162
Contributions as a percentage of covered payroll		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.

See accompanying independent auditors' report.

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

Required Supplementary Information

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

(Dollars in thousands)

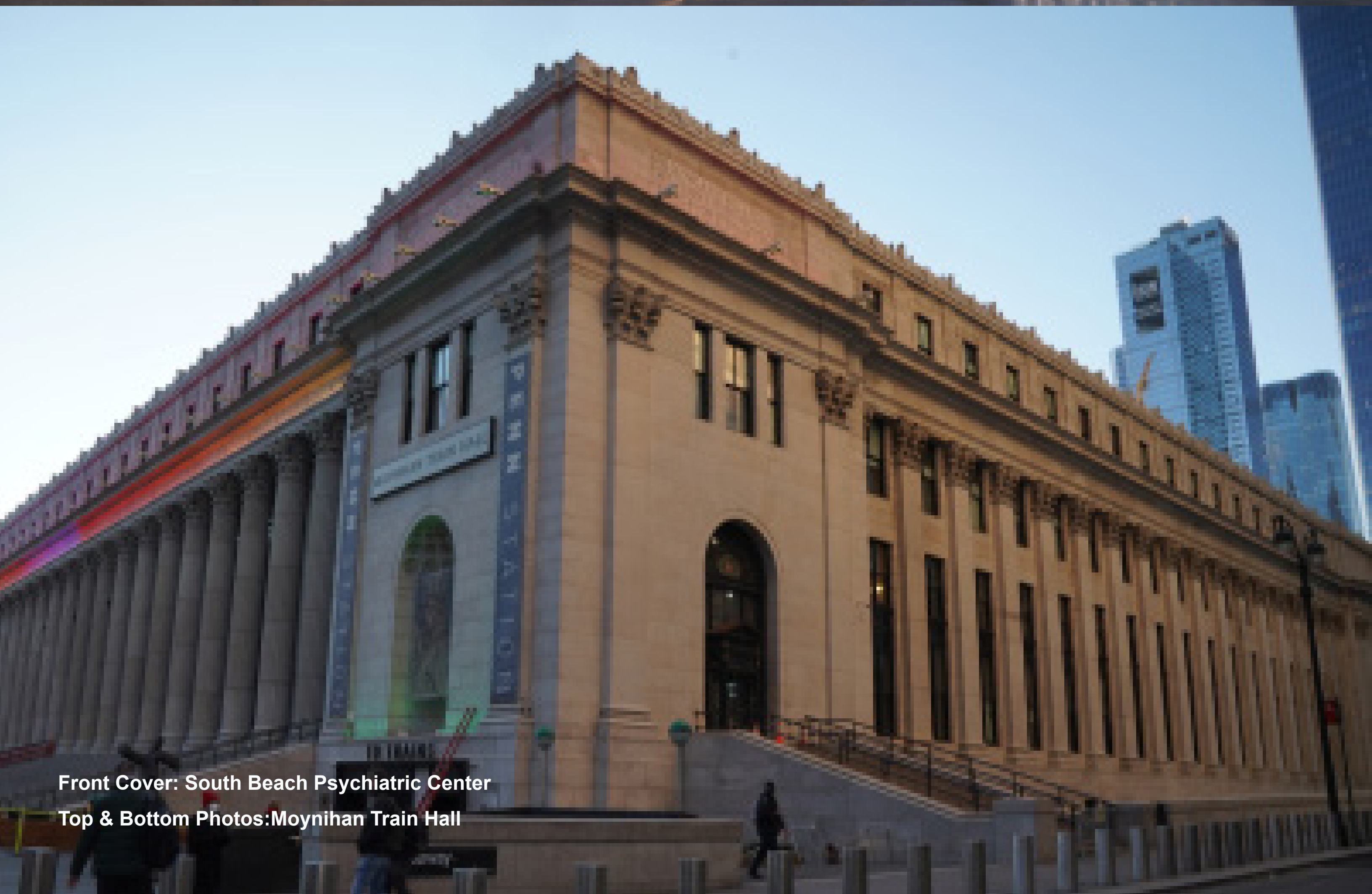
		2021	2020	2019
Total OPEB Liability:				
Service cost	$	7,450	7,584	6,895
Interest		7,017	7,238	7,086
Differences between expected and actual experience		(10,662)	—	—
Changes in assumptions		21,422	(6,985)	7,436
Benefit payments		(4,941)	(4,708)	(4,838)
Net change in total OPEB liability		20,286	3,129	16,579
Total OPEB liability, beginning		208,308	205,179	188,600
Total OPEB liability, ending	$	228,594	208,308	205,179
Net position as a percentage of total OPEB liability		39.0 %	83.8 %	118.0 %
Covered-employee payroll	$	52,380	52,200	51,472
Total OPEB liability as a percentage of covered-employee payroll		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 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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