



NEW YORK
STATE OF
OPPORTUNITY™

DASNY

Proposed Operating Budget 2016-2017 Fiscal Year

December 31, 2015

Proposed Operating Budget 2016-2017 Fiscal Year

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The Dormitory Authority of the State of New York (DASNY) was established in 1944 for the purpose of financing and constructing dormitories for the State Teachers' Colleges to accommodate returning WWII veterans. Over the years, new legislation has enabled DASNY to provide financing and construction services to public and private universities, not-for-profit healthcare facilities, courts, libraries and other institutions that serve the public good. DASNY is also a leader in advancing New York State's public policy initiatives in green construction and diversity in public procurement. Today, some of DASNY's largest clients include City University of New York, NYS Department of Mental Hygiene, State University of New York, and the NYC Courts.

Budget Headlines for 2016-2017 Proposal

- **The total 2016-17 proposed internal operating budget increases by just over 1% due primarily to an increase in contract-driven expenses for salaries and technology modernization.**
- **The proposal for 2016-17 proposes 9% less than was expended on salaries in FY 2009-10.** This decrease has been achieved despite having union contract provisions requiring general salary increases and steps which amounted to nearly 25% during those seven years.
 - Since 2008-09, DASNY has reduced staffing 22% from over 600 FTE's to the current staff of 471.
 - The 2016-17 proposal funds the same number of full-time equivalent positions as in the current year, 500.
 - The 2016-17 proposed budget for salary expenses increases by 2.8% compared to 2015-16 projected expenses, as DASNY will need to fulfill contractual salary step obligations.
 - DASNY also currently has 33 positions in recruitment as it plans to hire staff within the 500 funded positions to meet workload needs, known retirements and provide for knowledge transfer as it plans for the retirement of a projected 20% of the workforce in the next 3-5 years.
- **DASNY has also decreased non-personnel expenditures by 17% since 2009-10.** The 2016-17 proposed non-personnel budget increases by 9% over current year projections as DASNY plans to make several significant technology upgrades not prioritized in spending plans for the last several years.
- DASNY projects it will collect \$6.6 million in administrative fees from private client bond programs in the 2015-16 fiscal year, which is approximately half the amount it collected 5 years ago. **For the past six months DASNY has pursued and implemented client friendly changes to its private institution financing program to re-capture clients and business which have migrated to local financing options.**
- DASNY has continued to see a shift in construction workload, from large capital projects to smaller rehab projects. The total number of active construction projects has remained consistent while total construction expenditures have decreased by 42% over the last four years (see pages 8 & 9 for further details).

Fee Schedule

(no revisions)

Upfront Financing Fees

Private Institutions

- Standard Deals \$75,000
- Complex Program Start-Up Deals \$150,000 (minimum)

Health Care

- Standard Deals \$100,000
- Complex/Obligated Groups \$150,000 (minimum)

Public Libraries/School District \$75,000 - will be split if a multiple institution financing
Multiple Issuance Deals Plus \$15,000 each additional issuance

Administrative Fees

Private Institutions

- Fixed Rate
6 Basis points per series on a declining balance for the first three years with a \$100,000 annual cap.
3 Basis points per series on a declining balance after the first three years with a \$100,000 annual cap.
- Variable Rate
6 Basis points per series on a declining balance for the first three years with a \$100,000 annual cap.
5 Basis points per series on a declining balance after the first three years with a \$100,000 annual cap.

Healthcare

- Fixed Rate
10 Basis points per series on a declining balance for the first three years with a \$100,000 annual cap.
4 Basis points per series on a declining balance after the first three years with a \$100,000 annual cap.
- Variable Rate
10 Basis points per series on a declining balance for the first three years with a \$100,000 annual cap.
6 Basis points per series on a declining balance after the first three years with a \$100,000 annual cap.

Institutional Cap No single institution* will pay DASNY more than \$250,000 in administrative fees in a given fiscal year.
*Institutions with FHA bonds are not subject to the institutional cap.

Financing Fees

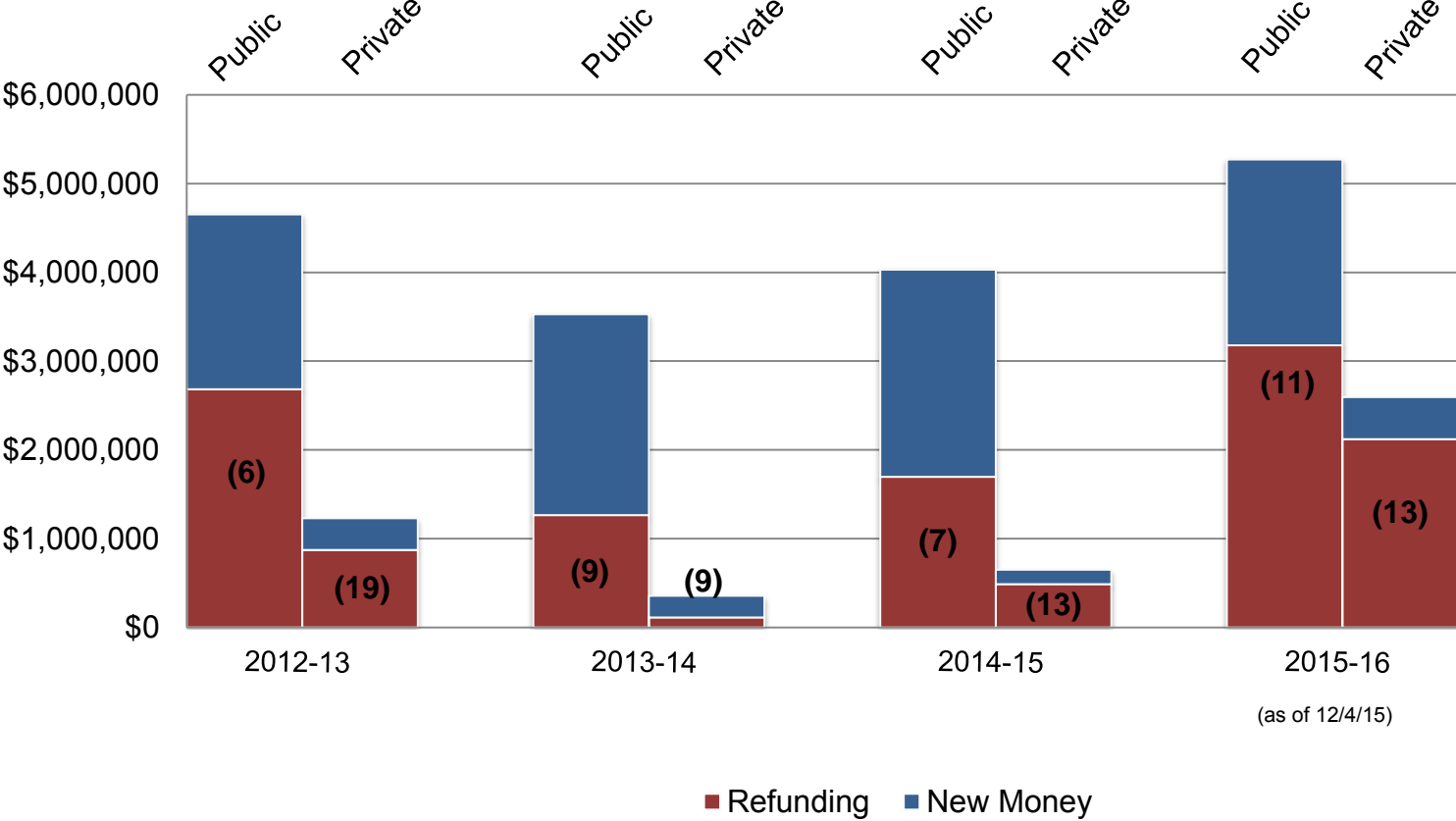
Upfront Financing Fees - Private Institutions

- **Standard Deals – \$75,000.** In fiscal year 2014-2015, there was a deficiency of \$551,823 for 9 closings. As of December 4, 2015, 9 bond deals have closed resulting in a deficiency of \$520,069. It is estimated 6 additional bond deals will close by March 31, 2016.

Upfront Financing Fees – Health Care

- **Standard Deals – \$100,000.** In fiscal year 2014-2015, there was a deficiency of \$79,254 for 2 closings. As of December 4, 2015, 1 bond deal closed resulting in a deficiency of \$131,875. It is estimated 2 additional bond deals will close by March 31, 2016.
- **Complex/Obligated Groups – starting at \$150,000.** (complex financings are those which require new general resolutions, substantial new document development, complex financing structure, and/or complex real estate structure). In fiscal year 2014-2015, there were 2 complex bond deals, resulting in a deficiency of \$157,362. As of December 4, 2015, 3 bond deal closed resulting in a deficiency of \$38,800. It is estimated no additional bond deals will close by March 31, 2016.

Financing Workload - Dollar Value & Number of Issues (in millions)



Administrative Fees Projected through Fiscal Year 2022-2023 on Current DASNY Issues

Program	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23
Independents	\$ 3,681,341	\$ 3,502,118	\$ 3,379,531	\$ 3,247,722	\$ 3,154,378	\$ 3,096,726	\$ 3,033,511	\$ 2,953,863
Healthcare	\$ 2,953,347	\$ 2,821,708	\$ 2,730,817	\$ 2,634,177	\$ 2,545,809	\$ 2,486,596	\$ 2,438,307	\$ 2,364,097
MH Basis Points	\$ 2,196,681	\$ 2,196,681	\$ 2,196,681	\$ 2,083,821	\$ 1,891,902	\$ 1,891,902	\$ 1,448,407	\$ 1,448,407
Total	\$ 8,831,369	\$ 8,520,507	\$ 8,307,029	\$ 7,965,720	\$ 7,592,089	\$ 7,475,225	\$ 6,920,226	\$ 6,766,367

Annual Change		\$ (310,862)	\$ (213,478)	\$ (341,309)	\$ (373,631)	\$ (116,864)	\$ (554,999)	\$ (153,859)
Cumulative Change		\$ (310,862)	\$ (524,339)	\$ (865,648)	\$ (1,239,280)	\$ (1,356,144)	\$ (1,911,143)	\$ (2,065,002)

Annual new par value required to offset the projected decrease in annual administrative fee revenues.

6 BP	-	518,102,785	355,796,382	568,848,269	622,718,701	194,773,434	924,998,787	256,431,451
10 BP	-	310,861,671	213,477,829	341,308,961	373,631,220	116,864,060	554,999,272	153,858,870

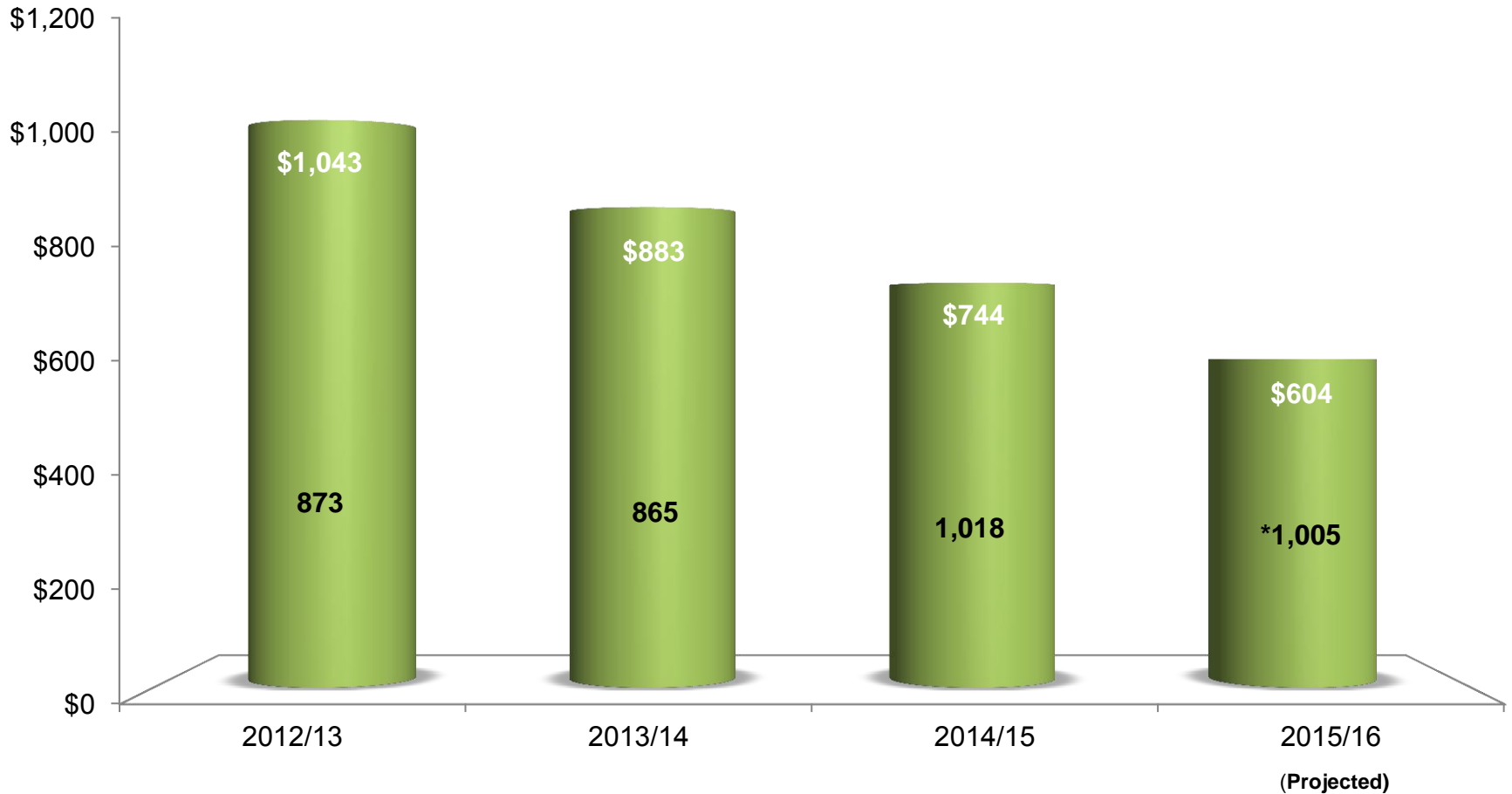
Prior Year Estimates \$ 11,149,473 \$ 10,935,805 \$ 10,752,361 \$ 10,371,207 \$ 9,972,361 \$ 9,217,927 \$ 8,844,653

Independent and Healthcare Institutions - Largest Annual Administrative Fees

Independent Institutions	2015-16 Administrative Fee
Columbia University	\$250,000
Cornell University	\$250,000
New York University	\$250,000
Rockefeller University	\$250,000
St. Johns University	\$228,668
University of Rochester	\$217,303
Total	\$1,445,971

Private Healthcare	2015-16 Administrative Fee
Montefiore Medical Center FHA	\$367,228
North Shore Long Island Jewish Medical Center	\$250,000
New York University Hospital Center	\$248,058
Memorial Sloan Kettering Cancer Center	\$236,188
Albany Medical Center & Hospital	\$183,939
Total	\$1,285,413

Construction Workload – Dollar value and number of projects (in millions)



* As of 10/31/15

Construction Workload

Current Projects* and the Pipeline

- As of November, 2015, the Authority has a design pipeline and active construction total of 1,005 projects valued at \$5.76 billion, compared to 983 projects valued at \$6.2 billion as of November, 2014.
- Of the 1,005 projects, 702 are in the pre-design and design phases. The projects in pre-design and design total \$3.3 billion, which is 57% of the total value of these projects.
- As of November, 2015, the 303 projects in active construction have a value of \$2.5 billion compared to 297 projects with a value of \$3.2 billion as of November, 2014. This total excludes projects in preliminary design, design or closeout stages.
- There are 448 full and modified service projects, with a value of \$2.07 billion, currently in the design phase. We anticipate that 67 of the active full service projects in design, valued at \$315 million, will still be in design in fiscal year 2016-2017. We anticipate projects valued at \$1.75 billion moving into the construction phase by March 2017.

Within these totals the future pipeline by major programs is as follows:

- The CUNY program has 208 projects in the preliminary and design phases valued at \$1.4 billion. The pipeline represents 80% of the number of active CUNY projects and is 69% of the dollar value of the entire program.
- The pipeline on SUNY projects represents 75% of the number of active projects and 74% of the dollar value of the entire program. Projects in the SUNY capital and minor capital programs in the preliminary and design phases total 52 projects valued at \$221 million.
- There are 194 projects in the preliminary and design phases in the OMH and OPWDD programs valued at \$435 million. This is 74% of the number of active projects and is 46% of the dollar value of the entire program.

Additional projects currently under evaluation as potential work include:

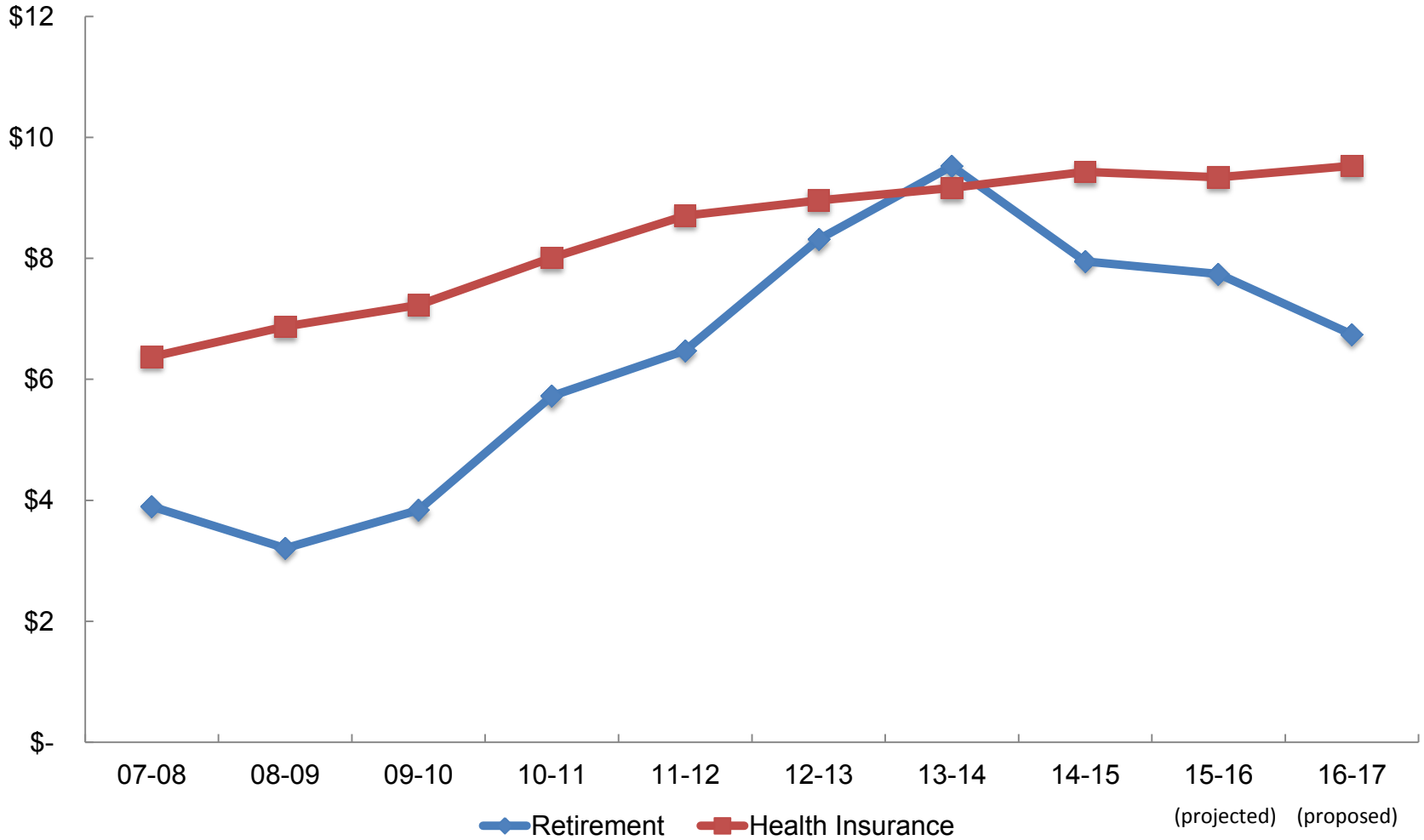
- Various security projects for the NYC Housing Authority (approximately \$41 million).
- An addition to the Fashion Institute of Technology's Building C (approximately \$148 million).
- Implementation of an ongoing energy program for the Office of Parks, Recreation and Historic Preservation, to include initial energy audits through implementation of energy efficient measures.
- Renovation of the NYS Education Department's Cultural Education Center Natural History Museum Exhibit space.
- SUNY Brockport's \$110 million plan for renovations and additions.

*Total workload data includes both full and modified services programs. Total costs for projects in the predesign phase are typically early estimates and may not necessarily reflect the full anticipated cost through the construction phase.

2016-2017 Proposed Budget Compared to Prior Year Budget

	ADOPTED 2015-2016 BUDGET	PROPOSED 2016-2017 BUDGET	CHANGE	
<u>PERSONAL SERVICE</u>				
SALARIES	\$ 45,167,257	\$ 46,585,429	\$ 1,418,172	3.14%
RETIREMENT CONTRIBUTIONS	\$ 7,864,820	\$ 6,743,766	\$ (1,121,054)	
SOCIAL SECURITY	\$ 3,247,526	\$ 3,396,034	\$ 148,508	
HEALTH INSURANCE	\$ 9,669,636	\$ 9,526,982	\$ (142,654)	
WORKERS COMPENSATION	\$ 420,000	\$ 442,250	\$ 22,250	
DENTAL & OPTICAL	\$ 377,500	\$ 370,000	\$ (7,500)	
MISCELLANEOUS BENEFITS	\$ 512,300	\$ 503,300	\$ (9,000)	
TOTAL BENEFITS	\$ 22,091,782	\$ 20,982,333	\$ (1,109,449)	
TOTAL PERSONAL SERVICE	\$ 67,259,039	\$ 67,567,761	\$ 308,722	0.46%
<u>MAINTENANCE & OPERATIONS</u>				
RENT & UTILITIES	\$ 1,705,000	\$ 1,711,615	\$ 6,615	
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 833,650	\$ 806,150	\$ (27,500)	
COMMUNICATIONS	\$ 315,670	\$ 324,500	\$ 8,830	
BUSINESS TRAVEL EXPENSE	\$ 838,304	\$ 843,520	\$ 5,216	
CORPORATE INSURANCE	\$ 417,180	\$ 465,640	\$ 48,460	
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 202,050	\$ 215,100	\$ 13,050	
MANAGEMENT & STAFF TRAINING	\$ 216,543	\$ 248,038	\$ 31,495	
DIVERSITY TRAINING & COORDINATION	\$ 95,000	\$ 80,000	\$ (15,000)	
PUBLICATIONS & MEMBERSHIPS	\$ 241,527	\$ 248,579	\$ 7,052	
LEGAL FEES	\$ 500,000	\$ 500,000	\$ -	
PROFESSIONAL SERVICES	\$ 596,475	\$ 615,502	\$ 19,027	
COMPUTER SERVICES & EQUIPMENT	\$ 1,917,100	\$ 2,394,500	\$ 477,400	
DEPRECIATION EXPENSE	\$ 792,609	\$ 792,608	\$ (1)	
PAYMENT IN LIEU OF TAXES	\$ 125,000	\$ 125,000	\$ -	
TOTAL MAINTENANCE & OPERATIONS	\$ 8,796,108	\$ 9,370,752	\$ 574,644	6.53%
CONTINGENCY	\$ -	\$ -	\$ -	
TOTAL INTERNAL OPERATING BUDGET	\$ 76,055,147	\$ 76,938,514	\$ 883,367	1.16%
PASS THROUGH INSURANCE	\$ 9,569,021	\$ 12,541,591	\$ 2,972,570	
POST EMPLOYMENT BENEFITS	\$ 13,728,687	\$ 12,241,616	\$ (1,487,071)	
NYS COST RECOVERY FEE	\$ 4,086,476	\$ -	\$ (4,086,476)	
OTHER PROGRAM SPECIFIC EXPENSES	\$ 3,167,900	\$ 4,343,424	\$ 1,175,524	
TOTAL PROPOSED OPERATING BUDGET	\$ 106,607,231	\$ 106,065,145	\$ (542,086)	-0.51%

Retirement Contributions & Health Insurance (in millions)



2015-2016 Projected Results Compared to 2016-2017 Proposed Budget

	PROJECTED 2015-2016 EXPENSE	PROPOSED 2016-2017 BUDGET	<u>CHANGE</u>	
<u>PERSONAL SERVICE</u>				
SALARIES	\$ 45,298,273	\$ 46,585,429	\$ 1,287,156	2.84%
RETIREMENT CONTRIBUTIONS	\$ 7,742,242	\$ 6,743,766	\$ (998,476)	
SOCIAL SECURITY	\$ 3,272,035	\$ 3,396,034	\$ 124,000	
HEALTH INSURANCE	\$ 9,340,178	\$ 9,526,982	\$ 186,804	
WORKERS COMPENSATION	\$ 436,768	\$ 442,250	\$ 5,483	
DENTAL & OPTICAL	\$ 370,000	\$ 370,000	\$ -	
MISCELLANEOUS BENEFITS	\$ 502,526	\$ 503,300	\$ 775	
TOTAL BENEFITS	\$ 21,663,748	\$ 20,982,333	\$ (681,416)	
TOTAL PERSONAL SERVICE	\$ 66,962,022	\$ 67,567,761	\$ 605,740	0.90%
<u>MAINTENANCE & OPERATIONS</u>				
RENT & UTILITIES	\$ 1,706,444	\$ 1,711,615	\$ 5,171	
OFFICE SUPPLIES & MISCELLANEOUS EXPENSE	\$ 751,312	\$ 806,150	\$ 54,838	
COMMUNICATIONS	\$ 316,697	\$ 324,500	\$ 7,803	
BUSINESS TRAVEL EXPENSE	\$ 825,836	\$ 843,520	\$ 17,684	
CORPORATE INSURANCE	\$ 459,140	\$ 465,640	\$ 6,501	
NON-CAPITAL EQUIPMENT & EQUIPMENT LEASES	\$ 200,879	\$ 215,100	\$ 14,221	
MANAGEMENT & STAFF TRAINING	\$ 172,538	\$ 248,038	\$ 75,500	
DIVERSITY TRAINING & COORDINATION	\$ 52,500	\$ 80,000	\$ 27,500	
PUBLICATIONS & MEMBERSHIPS	\$ 237,502	\$ 248,579	\$ 11,077	
LEGAL FEES	\$ 400,000	\$ 500,000	\$ 100,000	
PROFESSIONAL SERVICES	\$ 620,970	\$ 615,502	\$ (5,468)	
COMPUTER SERVICES & EQUIPMENT	\$ 1,916,423	\$ 2,394,500	\$ 478,077	
DEPRECIATION EXPENSE	\$ 792,608	\$ 792,608	\$ -	
PAYMENT IN LIEU OF TAXES	\$ 125,000	\$ 125,000	\$ -	
TOTAL MAINTENANCE & OPERATIONS	\$ 8,577,849	\$ 9,370,752	\$ 792,903	9.24%
CONTINGENCY	\$ -	\$ -	\$ -	
TOTAL INTERNAL OPERATING BUDGET	\$ 75,539,871	\$ 76,938,514	\$ 1,398,643	1.85%
PASS THROUGH INSURANCE	\$ 12,074,684	\$ 12,541,591	\$ 466,907	
POST EMPLOYMENT BENEFITS	\$ 12,441,616	\$ 12,241,616	\$ (200,000)	
NYS COST RECOVERY FEE	\$ -	\$ -	\$ -	
OTHER PROGRAM SPECIFIC EXPENSES	\$ 5,843,424	\$ 4,343,424	\$ (1,500,000)	
PASS THROUGH EXPENSES	\$ 30,359,724	\$ 29,126,631	\$ (1,233,093)	
TOTAL OPERATING BUDGET	\$ 105,899,595	\$ 106,065,145	\$ 165,550	0.16%

2016-2017 Salaries Budget

2015-2016 BASE SALARY	\$ 47,463,060
PLUS: CONTRACTUAL OBLIGATIONS	<u>\$ 539,369</u>
2016 - 2017 BASE SALARY	\$ 48,002,429
LOCATION PAY	\$ 699,073
EXEMPT POOL	\$ 200,000
TEMPORARY PERSONNEL	\$ 25,000
OVERTIME ESTIMATE	<u>\$ 75,000</u>
SUBTOTAL	\$ 49,001,501
SALARY CREDIT	
VACANCY CONTROL	<u>\$ (2,416,072)</u>
TOTAL 2016-2017 BUDGETED PAYROLL	\$ 46,585,429

Proposed Changes in Workforce - # of Employees

	<u>BUDGET</u> <u>2009-2010</u>	<u>BUDGET</u> <u>2010-2011</u>	<u>BUDGET</u> <u>2011-2012</u>	<u>BUDGET</u> <u>2012-2013</u>	<u>BUDGET</u> <u>2013-2014</u>	<u>BUDGET</u> <u>2014-2015</u>	<u>BUDGET</u> <u>2015-2016</u>	<u>PROPOSED</u> <u>BUDGET</u> <u>2016-2017</u>	<u>CHANGE</u> <u>2016-2017</u>
TOTAL # OF POSITIONS LISTED IN BUDGET	647	635	610	598	546	536	528	526	-0.3%
CHANGE	0	-11	-25	-12	-52	-10	-8	-2	
# OF FULL-TIME EQUIVALENT FUNDED POSITIONS	617	605	574	568	525	505	500	500	0.0%
CHANGE	-12	-12	-30	-6	-43	-20	-5	0	
PERMANENT EMPLOYEES ON PAYROLL IN DECEMBER	592	587	544	524	497	490	471		
CHANGE	-8	-5	-43	-20	-27	-7	-19		

Revenue and Expense Allocation by Program (in thousands)

	ACTUAL 2014-2015		PROJECTED 2015-2016		PROPOSED 2016-2017	
REVENUE (including Revenue for Pass-through Expenses where applicable)						
PRIVATE INSTITUTIONS	\$12,238	11.72%	\$14,031	13.10%	\$12,027	11.28%
SUNY	\$13,542	12.97%	\$15,007	14.02%	\$15,285	14.34%
MENTAL HEALTH	\$30,209	28.94%	\$28,274	26.41%	\$28,627	26.86%
NYS AGENCIES	\$11,323	10.85%	\$13,374	12.49%	\$13,554	12.72%
CUNY	\$31,149	29.84%	\$31,449	29.37%	\$32,094	30.11%
MUNICIPAL FACILITIES	\$5,933	5.68%	4,939	4.61%	5,003	4.69%
	\$104,395	100.00%	\$107,075	100.00%	\$106,589	100.00%
ALLOCATED OPERATING BUDGET (including Pass-through Expenses)						
PRIVATE INSTITUTIONS	\$11,600	11.27%	\$13,981	13.20%	\$12,606	11.89%
SUNY	\$13,542	13.16%	\$15,007	14.17%	\$15,285	14.41%
MENTAL HEALTH	\$28,153	26.70%	\$26,651	25.17%	\$27,008	25.46%
NYS AGENCIES	\$11,323	11.00%	\$13,374	12.63%	\$13,554	12.78%
CUNY	\$31,149	30.27%	\$31,449	29.70%	\$32,094	30.26%
MUNICIPAL FACILITIES	\$5,656	5.49%	\$4,811	4.54%	\$4,880	4.60%
OTHER NYS INITIATIVES	\$1,506	1.46%	\$627	0.59%	\$639	0.60%
	\$102,929	99.36%	\$105,900	99.99%	\$106,065	100.00%
SURPLUS BY PROGRAM						
PRIVATE INSTITUTIONS	638		51		(579)	
MENTAL HEALTH/MUNICIPAL FACILITIES	2,333		1,751		1,742	
LESS OTHER NYS INITIATIVES	(1,506)		(627)		(639)	
	1,466		1,175		524	

Budget and Financial Plan Summary
April 1, 2014 - March 31, 2020
(in thousands)

Budgeted Revenues, Expenditures and Changes in Net Assets

	Actual 2014-2015	Projected 2015-2016	Proposed 2016-2017	Proposed 2017-2018	Proposed 2018-2019	Proposed 2019-20
REVENUE & FINANCIAL SOURCES						
Operating Revenues:						
Fees for services	\$ 90,861	\$ 91,829	\$ 93,021	\$ 92,671	\$ 92,321	\$ 91,971
Rental & financing income	\$ 493	\$ 493	\$ 493	\$ 493	\$ 493	\$ 493
Other operating revenues						
Non-operating Revenues						
Income on investments	\$ 2,160	\$ 2,225	\$ 2,292	\$ 2,360	\$ 2,431	\$ 2,504
Other non-operating revenues	\$ 13,533	\$ 15,246	\$ 13,568	\$ 13,368	\$ 13,168	\$ 12,968
Total Revenues and Financial Sources	\$ 107,048	\$ 109,793	\$ 109,375	\$ 108,893	\$ 108,414	\$ 107,937
*EXPENDITURES						
Operating Expenditures:						
Salaries and wages	\$ 44,321	\$ 45,462	\$ 46,754	\$ 46,754	\$ 46,754	\$ 46,754
Other employee benefits	\$ 21,797	\$ 21,748	\$ 21,069	\$ 21,069	\$ 21,069	\$ 21,069
Professional services contracts	\$ 1,273	\$ 1,414	\$ 1,591	\$ 1,591	\$ 1,591	\$ 1,591
Supplies and materials	\$ 533	\$ 705	\$ 766	\$ 766	\$ 766	\$ 766
Other operating expenditures	\$ 6,658	\$ 6,589	\$ 7,144	\$ 7,144	\$ 7,144	\$ 7,144
Total Operating Expenditures	\$ 74,582	\$ 75,918	\$ 77,324	\$ 77,324	\$ 77,324	\$ 77,324
Non-operating Expenditures						
Capital assets outlay	\$ 5	\$ 450	\$ 500	\$ -	\$ -	\$ -
Other non-operating expenditures (pass-through)	\$ 29,200	\$ 30,878	\$ 29,645	\$ 29,445	\$ 29,245	\$ 29,045
Transfers to amounts held for institutions	\$ 2,103	\$ 2,166	\$ 2,231	\$ 2,298	\$ 2,367	\$ 2,438
Transfers to New York State and others	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 105,890	\$ 109,413	\$ 109,700	\$ 109,067	\$ 108,936	\$ 108,807
Capital Contributions						
Excess (deficiency) of revenues and capital contributions over expenditures	\$ 1,158	\$ 381	\$ (325)	\$ (173)	\$ (522)	\$ (870)

* Expenditures include NYC rent supplemented from Private Insitutions & 161 Delaware Ave expenses.

Estimated 2016-2017 Cash Flow DASNY General Operating Fund

<u>April-2016</u>			<u>May-2016</u>			<u>June-2016</u>		
<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>	<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>	<u>Beginning Bal., Cash & Invest.</u>	<u>Date</u>	<u>Estimate</u>
04/01/16		0.00	04/01/16			04/01/16		
<u>Receipts</u>			<u>Receipts</u>			<u>Receipts</u>		
Estimated Overhead transfer		8,000,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		6,100,000.00
Total Receipts		8,000,000.00	Total Receipts		6,100,000.00	Total Receipts		6,100,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	04/06/16	(1,922,363.97)	DAGOF	05/02/16	(429,845.93)	Payroll	06/01/16	(1,922,363.97)
DAGOF	04/15/16	(1,254,594.43)	Payroll	05/04/16	(1,922,363.97)	DAGOF	06/16/16	(429,845.93)
Payroll	04/20/16	(1,922,363.97)	DAGOF	05/16/16	(429,845.93)	Payroll	06/15/16	(1,922,363.97)
Total Disbursements		(5,099,322.36)	Payroll	05/18/16	(1,922,363.97)	Payroll	06/29/16	(1,922,363.97)
			DAGOF	05/31/16	(1,254,594.43)	DAGOF	06/30/16	(1,254,594.43)
			Total Disbursements		(5,959,014.23)	Total Disbursements		(7,451,532.26)
Ending Balance, Cash & Invest.	04/30/16	2,900,677.64	Ending Balance, Cash & Invest.	05/31/16	3,041,663.40	Ending Balance, Cash & Invest.	06/30/16	1,690,131.14
<u>July-2016</u>			<u>August-2016</u>			<u>September-2016</u>		
<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>
Estimated Overhead transfer		6,300,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		8,500,000.00
Total Receipts		6,300,000.00	Total Receipts		6,100,000.00	Total Receipts		8,500,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	07/13/16	(1,922,363.97)	Payroll	08/10/16	(1,922,363.97)	Payroll	09/07/16	(1,922,363.97)
DAGOF	07/15/16	(429,845.93)	DAGOF	08/15/16	(429,845.93)	DAGOF	09/16/16	(429,845.93)
Payroll	07/27/16	(1,922,363.97)	Payroll	08/24/16	(1,922,363.97)	Payroll	09/21/16	(1,922,363.97)
DAGOF	07/29/16	(1,254,594.43)	DAGOF	08/29/16	(1,254,594.43)	DAGOF	09/30/16	(1,254,594.43)
Total Disbursements		(5,529,168.30)	Total Disbursements		(5,529,168.30)	Total Disbursements		(5,529,168.30)
Ending Balance, Cash & Invest.	07/31/16	2,460,962.84	Ending Balance, Cash & Invest.	08/31/16	3,031,794.54	Ending Balance, Cash & Invest.	09/30/16	6,002,626.25

Estimated 2016-2017 Cash Flow DASNY General Operating Fund

<u>October-2016</u>			<u>November-2016</u>			<u>December-2016</u>		
<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>
Estimated Overhead transfer		6,300,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		12,300,000.00
Total Receipts		6,300,000.00	Total Receipts		6,100,000.00	Total Receipts		12,300,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	10/05/16	(1,922,363.97)	Payroll	11/02/16	(1,922,363.97)	Payroll	12/14/16	(1,922,363.97)
DAGOF	10/17/16	(429,845.93)	DAGOF	11/15/16	(429,845.93)	DAGOF	12/14/16	(429,845.93)
Payroll	10/19/16	(1,922,363.97)	Payroll	11/16/16	(1,922,363.97)	RETIREMENT	12/15/16	(6,743,766.39)
DAGOF	10/31/16	(1,254,594.43)	DAGOF	11/29/16	(1,254,594.43)	Payroll	12/28/16	(1,922,363.97)
Total Disbursements		(5,529,168.30)	Total Disbursements		(7,451,532.26)	Total Disbursements		(12,272,934.69)
Ending Balance, Cash & Invest.	10/31/16	6,773,457.95	Ending Balance, Cash & Invest.	11/30/16	5,421,925.68	Ending Balance, Cash & Invest.	12/31/16	5,448,990.99
<u>January-2017</u>			<u>February-2017</u>			<u>March-2017</u>		
<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>	<u>Receipts</u>	<u>Date</u>	<u>Estimate</u>
Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		6,100,000.00	Estimated Overhead transfer		3,000,000.00
Total Receipts		6,100,000.00	Total Receipts		6,100,000.00	Total Receipts		3,000,000.00
<u>Disbursements:</u>			<u>Disbursements:</u>			<u>Disbursements:</u>		
Payroll	01/11/17	(1,922,363.97)	Payroll	02/08/17	(1,922,363.97)	Payroll	03/08/17	(1,922,363.97)
DAGOF	01/13/17	(429,845.93)	DAGOF	02/13/17	(429,845.93)	DAGOF	03/15/17	(429,845.93)
Payroll	01/25/17	(1,922,363.97)	Payroll	02/22/17	(1,922,363.97)	Payroll	03/22/17	(1,922,363.97)
DAGOF	01/27/17	(1,254,594.43)	DAGOF	02/27/17	(1,254,594.43)	DAGOF	03/29/17	(1,254,594.43)
Total Disbursements		(5,529,168.30)	Total Disbursements		(5,529,168.30)	Total Disbursements		(5,529,168.30)
Ending Balance, Cash & Invest.	01/31/17	6,019,822.70	Ending Balance, Cash & Invest.	02/28/17	6,590,654.40	Ending Balance, Cash & Invest.	03/31/17	4,061,486.10

2016-2017 Capital Projects

- All projects will be funded from the Reserve for Replacement Fund. Projects completed in the 2016-17 fiscal year will begin depreciating in that fiscal year.
- DASNY has continued various capital maintenance and energy enhancements at 515 Broadway during the 2015-16 fiscal year. Projects included the teardown of chillers, replacement of the variable frequency drives in tower fans, and the replacement of the hot water heater. Some of these projects are expected to continue into 2016-17.
- DASNY is currently in the process of replacing printers, copiers and fax machines in its main offices with new multi-functional devices. These new devices will replace antiquated devices and increase current capacity, while at the same time resulting in cost savings. Approximately 150 devices are being replaced by 40 new multi-functional devices. This project is expected to be completed in the 2015-16 fiscal year.
- Office chairs are currently being replaced based on an inventory of the existing chairs in each of the main offices. The Albany office has had primarily the same office furniture since moving into the building in 1997. This project is expected to continue into the 2016-17 fiscal year, as needs are evaluated.
- The roof in the Buffalo office is currently being replaced, as it has fallen into a state of disrepair that needed to be addressed. The project is expected to be completed in the 2015-16 fiscal year.
- DASNY is replacing the Liebert cooling unit in the computer server room in the Albany office. The existing unit is nearly 20 years old and is well past its useful life. The project is expected to be completed in the 2015-16 fiscal year.
- DASNY has no outstanding debt for its own assets and operations, and will not be incurring any debt to finance the above capital projects.

Dormitory Authority State of New York
Authority Operating Reserves
as of November 30, 2015
(in millions)

	<u>Fiduciary</u>	<u>MCFFA Reserve</u>	<u>Reserve for Replacement</u>	<u>Development</u>	<u>Special Interest</u>	<u>Diversity Train. & Develop.</u>	<u>D&O Liab. Reserve</u>	<u>OPEB Reserve</u>	<u>Surety Bond Reserve</u>	<u>Healthcare Portfolio Mgmt</u>	<u>Healthcare Restructuring</u>
Cash and Investments, April 1, 2015	\$ 3,933	\$ 12,292	\$ 5,899	\$ 5,004	\$ 537	\$ 669	\$ 2,029	\$ 3,855	\$ 3,014	\$ 13,364	77029
Receipts:											
Income on Investments	\$ 3	\$ 4	\$ 5	\$ 3			\$ 47	\$ 6	\$ 2	\$ 177	-67
Contract Settlement						\$ 33					
Project Reimbursement											18,373
Transfer To/From SUNY Appr. Rehab											8
NYS Deposit											19,600
Project Interest Payments											196
Transfer from DAGOF			\$ 799								
Total Receipts	\$ 3	\$ 4	\$ 804	\$ 3	\$ 152	\$ 33	\$ 47	\$ 6	\$ 2	\$ 177	\$ 38,110
Disbursements:											
Project Disbursement											65,083
Other Expenses					\$ 152						
NYC Office	\$ 388										
Various Clients - SEQR Reviews					\$ 13						
DASNY-515 Broadway Improvements			\$ 31								
DASNY-515 Condo Reserve			\$ 70								
DASNY-Replace Printers			\$ 94								
DASNY-Replace Office Furniture			\$ 2								
DASNY-Buffalo Office Bldg.			\$ 2								
Total Disbursements	\$ 388	\$ -	\$ 199	\$ -	\$ 165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,083
Cash and Investments, November 30, 2015	\$ 3,548	\$ 12,296	\$ 6,504	\$ 5,007	\$ 524	\$ 702	\$ 2,076	\$ 3,861	\$ 3,016	\$ 13,541	\$ 50,056
Status of Commitments:											
Budgeted	\$ 6,900	\$ 12,000	\$ 2,265	\$ 550						\$ 8,170	\$ 748,943
Expended	\$ 3,994		\$ 794	\$ 550						\$ 8,170	\$ 715,653
Commitments - November 2015	\$ 43		\$ 34	\$ -						\$ -	\$ -
Unexpended Balance	\$ 2,863	\$ 12,000	\$ 1,437	\$ -						\$ -	\$ 33,290
Uncommitted Balance	\$ 685	\$ 296	\$ 5,067	\$ 5,007						\$ 13,541	\$ 16,766

Appendix A

2016-2017 Budget Timeline

09/08/15	Notify budget managers with August budget reports that 2016-2017 budget request forms will be distributed the first week of October and will be due back by October, 2015.
10/07/15	Distribute 2016-2017 budget packages to budget managers for completion.
10/07 - 10/30/15	Review current year activity to date, consult budget managers for their forecasts, research changes in rates and premiums and project total expenditures for 2015-2016.
10/30/15	Update revenue and expense projections by program for 2015-2016 based on labor allocations to date.
10/30/15	All budget requests due to Budget office.
11/10 - 11/21/15	Review budget requests; consult with budget managers for further clarification where needed.
11/18/15	Review preliminary numbers with Executive Management.
12/09/15	2nd review with Executive Management.
12/09/15	Update fee projection based on bond issues sold to date; consult Finance for estimated number and amount of bond issues to be sold by end of fiscal year.
12/09/15	Allocate proposed 2016-2017 revenue and expense by program based on 2016-2017 labor survey.
12/10 - 12/16/15	Finalize all calculations and reports.
12/16/15	Final review with Executive Management.
12/16/15 - 12/28/15	Finalize budget package
12/31/15	Post proposed budget; mail budget package to DASNY Board and others as required by Public Authorities law.
01/13/16	Present proposed 2016-2017 operating budget to DASNY Board.
01/16 - 02/10/16	Board members review and comment.
02/10/16	Update salary budget and classification plan chart; update financial plan.
02/10 - 02/26/16	Review final budget package with Executive Management.
02/26/16	Mail final budget package, including updated salary budget and classification plan chart, to the DASNY Board.
03/09/16	Vote by DASNY Board on resolution to adopt 2016-2017 proposed operating budget.

Appendix C

**SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2015-2016 PROJECTED ACTUAL EXPENSE TO 2016-2017 PROPOSED BUDGET**

<u>DESCRIPTION</u>	<u>PROJECTED 2015-2016</u>	<u>PROPOSED 2016-2017</u>	<u>CHANGE</u>
<p>SALARIES The proposed 2015-16 Salaries budget represents a 2.8% increase over 2015-16 projected salaries despite a step advancement for eligible employees in 2016-17. As of December 2015, there were 471 permanent employees on the payroll and DASNY plans on funding 500 full time positions for 2016-17.</p>	\$45,298,273	\$46,585,429	\$1,287,156
<p>RETIREMENT CONTRIBUTIONS Contributuion rates decreased in 2015-16, and are expected to decrease in 2016-17 according to the projection DASNY received from NYS.</p>	\$7,742,242	\$6,743,766	(\$998,476)
<p>SOCIAL SECURITY DASNY's Social Security assessment historically averages approximately 7.2% of the total gross wages paid during the fiscal year.</p>	\$3,272,035	\$3,396,034	\$124,000
<p>HEALTH INSURANCE Premiums increased an average of 2% in December 2014 and a 2% increase over projected 2015-2016 expense is proposed for 2016-17.</p>	\$9,340,178	\$9,526,982	\$186,804
<p>WORKERS COMPENSATION Workers Compensation projected 2015-16 expense is anticipated to be \$17k over budget as there is a potential for a large settlement expense. The 2016-17 proposed budget includes an expected 5% increase in premium expense as well as claim expenses.</p>	\$436,768	\$442,250	\$5,483

**SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2015-2016 PROJECTED ACTUAL EXPENSE TO 2016-2017 PROPOSED BUDGET**

<u>DESCRIPTION</u>	<u>PROJECTED 2015-2016</u>	<u>PROPOSED 2016-2017</u>	<u>CHANGE</u>
<p>DENTAL\OPTICAL The Authority's dental/optical expense has been very consistent over the years. The proposed 2016-17 budget is in line with 2015-16 projections.</p>	\$370,000	\$370,000	\$0
<p>MISCELLANEOUS BENEFITS Tuition Benefits are proposed to be \$4k below projection while Unemployment insurance is proposed to increase \$4.8k over projection. All other categories will remain flat.</p>	\$502,526	\$503,300	\$775
<p>RENT & UTILITIES The 2016-17 budget increase over current year projection is primarily due to the utilities in Buffalo (\$4k) and Parking (\$1.1k) at One Penn Plaza.</p>	\$1,706,444	\$1,711,615	\$5,171
<p>OFFICE SUPPLIES & MISCELLANEOUS EXPENSE Included in this category are expenses for office supplies, printing, service contracts, meeting expenses and assorted miscellaneous purposes. The 2016-17 proposed budget includes anticipated increases in Advertising (\$35.5k), Miscellaneous Expense (\$19.7k), Meeting Expense (\$5.7k), Marketing Meetings (\$5.5k), Office Supplies (\$4.8k), Marketing (\$4k), Building Supplies (\$3.8k), Service Contracts (\$2.6k) and Sustainability Initiatives(\$2.5K). A portion of these increases are offset by decreases in Printer Supplies (\$25.5k) and Copiers (\$2.5k) and Building Maintenance (\$1.4k).</p>	\$751,312	\$806,150	\$54,838
<p>RECORDS MANAGEMENT DASNY has plans to advance this initiative using in-house resources.</p>	\$0	\$0	\$0
<p>COMMUNICATIONS Included in this category are expenses for all office telephones, portable communication devices, postage and express mail. The proposed 2016-17 budget includes an increase in Postage (\$5.2k), Express Mail (\$4.3k), Other Communication Expenses (\$1.6k) and FOIL (\$1k). A portion of these increases are offset by decreases in Telephone Expense (\$4.3k)</p>	\$316,697	\$324,500	\$7,803

SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2015-2016 PROJECTED ACTUAL EXPENSE TO 2016-2017 PROPOSED BUDGET

<u>DESCRIPTION</u>	<u>PROJECTED 2015-2016</u>	<u>PROPOSED 2016-2017</u>	<u>CHANGE</u>
<p>BUSINESS TRAVEL EXPENSE</p> <p>This account funds the use of hotels, trains, automobiles, air travel and reimbursements to employees for expenses incurred while traveling on DASNY business. The proposed 2016-17 budget includes an increase in Auto Maintenance (\$10k) and Gasoline (\$7k).</p>	\$825,836	\$843,520	\$17,684
<p>CORPORATE INSURANCE</p> <p>Included in this category are premiums for various insurance policies, such as blanket crime, auto and directors & officers (D&O) liability. The 2016-17 proposed budget includes anticipated increases in Automobile (\$4.2k), Property (\$3.4k), General Liability (\$3.1k), Auto Physical Damage (\$1.9k). Various other policies have minimal increases totaling \$1.7k. A majority of these decreases are offset by a decrease in Travel Accident (\$7.8k) which is a three year pre-paid policy and we incurred this expense in 2014-15.</p>	\$459,140	\$465,640	\$6,501
<p>NON-CAPITAL EQUIPMENT & LEASES</p> <p>Included in this category are replacement vehicles and office equipment for the corporate and field offices. The 2016-17 proposed budget includes an increase in Telephone Equipment expense (\$10k). Modest increases are also expected across multiple departments for General Equipment.</p>	\$200,879	\$215,100	\$14,221
<p>MANAGEMENT & STAFF TRAINING</p> <p>This category includes funding for various training courses for DASNY staff. The proposed 2016-17 budget anticipates increases in Department Training (\$90.5k) with Real Property and Information Services having the largest increases. A portion of this increase will be offset by a decrease in Management Training (\$15k). The training department has moved to Executive Direction and the costs for Greebuild training has been moved to their department.</p>	\$172,538	\$248,038	\$75,500
<p>DIVERSITY TRAINING & COORDINATION</p> <p>DASNY engages professional consultants to aid in the delivery of MWBE programs. The projected 2015-16 expense is expected to be \$42.5k below budget. The proposed 2016-17 budget anticipates an increase for MCT Miscellaneous expense (\$25k) and MCT Miscellanoues (\$2.5k).</p>	\$52,500	\$80,000	\$27,500
<p>PUBLICATIONS & MEMBERSHIPS</p> <p>This budget category includes subscriptions for various publications and services such as the Wall Street Journal, The Bond Buyer, Thomson Financial and West Group, as well as, memberships in various professional associations. A majority of the increase in the 2016-17 proposed budget is in Public Finance (\$9.5k), Communications (\$3.5k), Downstate Design (\$2.8k) and Real Property (\$2.5k). Various other departments have modest increases totaling (\$6k). A portion of these increases are offset by decreases in Counsel (\$10k) and Upstate Design (\$1.7k) with modest decreases in a couple other departments.</p>	\$237,502	\$248,579	\$11,077

**SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2015-2016 PROJECTED ACTUAL EXPENSE TO 2016-2017 PROPOSED BUDGET**

<u>DESCRIPTION</u>	<u>PROJECTED 2015-2016</u>	<u>PROPOSED 2016-2017</u>	<u>CHANGE</u>
<p>LEGAL FEES</p> <p>The expenses associated with this category are incurred when DASNY retains outside counsel for operating purposes. The budget must be sufficient to cover other types of legal expenses that cannot be predicted at this time, but that might arise in the course of doing business. Examples of these types of expenses include those related to Human Resource matters, general liability claims and federal tax compliance issues. Counsel anticipates Insolvencies, Labor/Employment issues, Collective Bargaining Negotiations and various Construction Matters as their legal fees for 2016-17. The proposed budget is in line with the 2015-16 adopted budget.</p>	\$400,000	\$500,000	\$100,000
<p>PROFESSIONAL SERVICES</p> <p>In addition to the annual audit, this account provides funds for trustee/custody fees, payroll services, a contract with NYS Department of Labor for prevailing wage investigations and an agreement with Dunn & Bradstreet for use of their databank in conducting contractor responsibility reviews. The proposed 2016-17 budget includes decreases in Financial Management (\$30k) related to our annual audit, Public Finance (\$20k) and Internal Audit (\$8.5k). A majority of these decreases are offset by a \$50k increase in Risk Management for Forensic accounting and claims services for property claim administration purposes. An increase in Executive Initiatives (\$3k) is also anticipated.</p>	\$620,970	\$615,502	(\$5,468)
<p>COMPUTER SERVICES AND EQUIPMENT</p> <p>The computer services budget generally includes estimates for various equipment, software, maintenance services, licenses, application upgrades and consulting. The proposed 2016-17 budget includes increases for Desktop Software (\$178k), Network (\$95k), Computer Maintenance (\$82.2k), Computer Consulting Services (\$80k), Computer Services (\$23.3k), General Equipment (\$11k), Computer Operations (\$5k) and Computer Ergonomics (\$3.6k).</p>	\$1,916,423	\$2,394,500	\$478,077
<p>DEPRECIATION EXPENSE</p> <p>DASNY has several capital projects in process and will begin depreciating them upon their completion. See page 19 for project details.</p>	\$792,608	\$792,608	\$0

**SUPPLEMENTAL BUDGET CATEGORY INFORMATION
INTERNAL OPERATING BUDGET
2015-2016 PROJECTED ACTUAL EXPENSE TO 2016-2017 PROPOSED BUDGET**

<u>DESCRIPTION</u>	<u>PROJECTED 2015-2016</u>	<u>PROPOSED 2016-2017</u>	<u>CHANGE</u>
<p>PAYMENT IN LIEU OF TAXES At the time of land acquisition, DASNY agreed to make an annual PILOT on the corporate headquarters. This item was a term of the purchase agreement for the land.</p>	\$125,000	\$125,000	\$0
<p>PASS THROUGH INSURANCE This category accounts for the cost of insurance procured by DASNY to protect the DASNY's interest in assets held for clients. The SUNY Dorm program and CUNY are the major clients insured in this program. The largest component of this category is Property insurance. Estimates also include broker fees, taxes, and other fees, as well as premiums for Builders' Risk, Boiler & Machinery, and property-related terrorism. For 2016-17, the largest increases that DASNY is projecting are for CUNY SR (\$265k), SUNY (\$125k) and CUNY CC (\$66k). Other modest increases are anticipated across multiple programs.</p>	\$12,074,684	\$12,541,591	\$466,907
<p>POST EMPLOYMENT BENEFITS As of fiscal year 2008-09, DASNY was required under Government Accounting Standards Board (GASB) Statement No. 45 to record an expense for the future liability of post employment health care benefits. Future liability is based on active employees. The annual amortized cost for the future liability will decrease as DASNY makes contributions to health insurance programs for its retirees. GASB Statement No. 68 regarding accounting for pension liabilities was recently issued. DASNY is currently reviewing the impact of GASB 68 and plans to make the necessary revisions to the budget prior to finalizing it.</p>	\$12,441,616	\$12,241,616	(\$200,000)
<p>NYS COST RECOVERY FEE The cost recovery fee has historically been a fee payable to the State based on the DASNY's use of State resources. Based on discussions with NYS Division of Budget, DASNY isn't expecting to pay a cost recovery fee in 2015-16 or 2016-17.</p>	\$0	\$0	\$0
<p>OTHER PROGRAM SPECIFIC EXPENSES This category includes an estimate of the other program operating fund expenses paid by DASNY on behalf of various clients as a pass-through expense. Such expenses include trustee/custody fees, payments on behalf of clients for specialized consultants, mortgage servicing, certain mortgage insurance payments, program specific legal needs and transactions associated with the Mental Health Income fund. The 2015-16 Projection includes large legal fees related to Brookdale.</p>	\$5,843,424	\$4,343,424	(\$1,500,000)