

DASNY
Annual Report

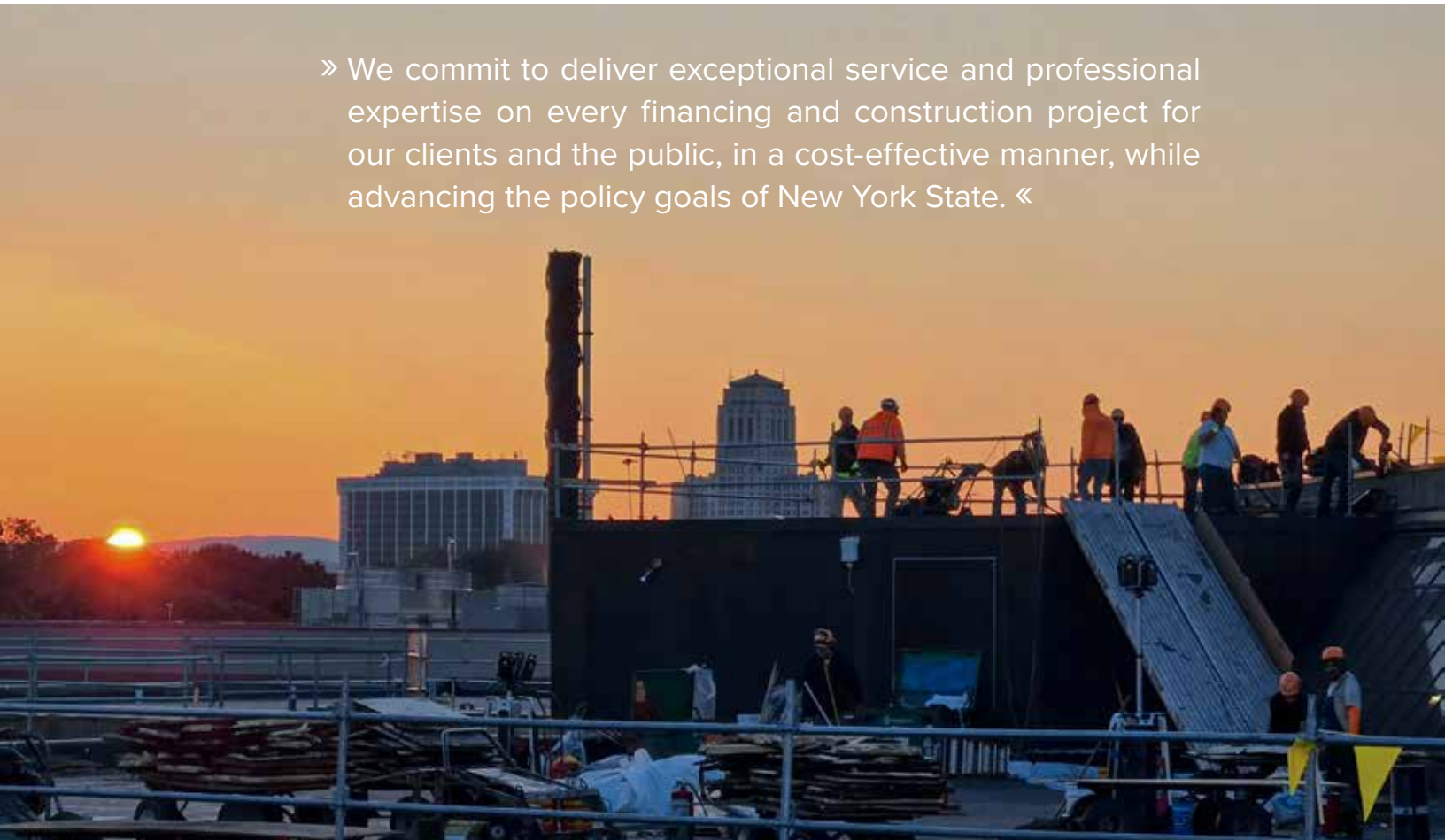
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» We commit to deliver exceptional service and professional expertise on every financing and construction project for our clients and the public, in a cost-effective manner, while advancing the policy goals of New York State. «



Letter from the Governor

Dear Fellow New Yorkers,

For 80 years, the Dormitory Authority of the State of New York (DASNY) has served our state with distinction in the financing and construction of public and non-profit higher education, healthcare, and judicial institutions.

Its expert work can be seen in lasting facilities that shape communities across our state. Comprised of an unmatched team of skilled professionals, DASNY advances impactful projects that empower critical New York institutions, like the performing arts center at CUNY Queensboro Community College; the Office of Mental Health's Central New York Psychiatric Center; the SUNY Buffalo Ellicott Complex; the Sunmount Developmental Disabilities Services Office; New York Institute of Technology; and other schools, universities, and hospitals across New York.

DASNY also plays a critical role in administering grants for New York's non-profit community, supporting these organizations in their mission to improve the lives of countless individuals, and ensuring that state capital funds achieve the maximum benefit possible.

Underpinning DASNY's work is a dedication to and focus on improving communities. I salute the talented team that strives to meet the varied needs of our residents, and I thank everyone at DASNY for their dedication to strengthen municipalities and institutions across New York.

Sincerely,



Kathy Hochul
Governor



The Honorable Kathy Hochul
Governor, State of New York

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

The Honorable Carl E. Heastie
Speaker
New York State Assembly

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

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

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

DASNY Board Members

Lisa Gomez

Chair
Pelham (Westchester County)

Gerard Romski, Esq.

Vice-Chair
Mount Kisco (Westchester County)

Beryl L. Snyder, J.D.

Secretary
New York (New York County)

Alfonso L. Carney, Jr.

New York (New York County)

Wellington Z. Chen

Queens (Queens County)

Janice McKinnie

Buffalo (Erie County)

Joan M. Sullivan

Slingerlands (Albany County)

Kent Syverud

Syracuse (Onondaga County)

Dr. James V. McDonald M.D., M.P.H.

Commissioner of New York State
Department of Health
Albany (Albany County)

Dr. Betty A. Rosa

Commissioner of Education of the
State of NY, Bronx; ex-officio
Albany (Albany County)

Blake G. Washington

Budget Director for the State of NY
Albany (Albany County)

Executive Leadership Team

Robert J. Rodriguez

President and Chief Executive Officer

Charlie Williams

Vice President

Kimberly A. Ellis

Chief Financial Officer and Treasurer

R. Nadine Fontaine, Esq.

General Counsel and Ethics Officer

Portia Lee

Managing Director of Public Finance
and Portfolio Monitoring

Stephen D. Curro, P. E.

Managing Director of Construction

Sara Potter Richards, Esq.

Managing Director of Executive Direction

Letter from the Chair

Dear Governor Hochul and Distinguished Leaders,

For 80 years, DASNY has overseen and delivered capital projects across New York State.

Over these eight decades, DASNY has evolved into a complex, multi-faceted organization that works to enhance the quality of life for New Yorkers through a wide range of initiatives. Skilled professionals in departments such as construction, finance, design, procurement, and grants administration collaborate to create lasting infrastructure that will serve New Yorkers for many years to come.

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

At the close of FY 2023-24, DASNY's construction portfolio included nearly 1,000 projects valued at more than \$12 billion. DASNY completed 13 bond financings valued at approximately \$8 billion. In addition, DASNY's grants team, which processes more than 2,500 capital grants on behalf of the Governor and Legislature at any given time, executed nearly 800 grant disbursement agreements valued at approximately \$235 million.

Integral to all its work is DASNY's commitment to creating opportunities and ensuring that its partners reflect the diversity of New York State. For certified Minority- and Women-owned Business Enterprises (MWBES) and Service-Disabled Veteran-Owned Businesses (SDVOBs), DASNY has long been a leader in promoting state contracting and procurement opportunities, helping these groups compete successfully in securing construction, procurement, professional services, and other contracts. For FY 2023-24, MWBE expenditures totaled \$215.3 million, representing 36.4% of total contract expenditures for the fiscal year, while DASNY spent \$16.6 million with SDVOB contractors.

Above all, DASNY is dedicated to providing exceptional, cost-effective service to its public and private clients on every project it undertakes, while actively contributing to a brighter future for all New Yorkers.

Sincerely,

Lisa Gomez
Chair



| Letter from the President & CEO

Dear Governor Hochul and Distinguished Leaders,

On behalf of the nearly 500 dedicated professionals on DASNY's team, I am proud to present the 2024 Annual Report and fiscal year results for the Dormitory Authority of the State of New York.

Earlier this year, I was honored to be confirmed as President and Chief Executive Officer for an organization I had known for years as New York's premier construction and finance authority.

DASNY's reputation for professionalism, quality, and service has been long and widely recognized throughout New York. I am proud to lead the team and support the important work DASNY does to make New York a better place.

While DASNY's day-to-day work focuses on finance, construction and grants administration, it is the outcome of this work that has made New York a better place to live for so many people over the past eight decades.

DASNY's goals are to strengthen and enhance communities. In all of our work, DASNY is fortunate to have an exceptional team of professionals, with fully one-third of our staff having 20 or more years of DASNY service. At the same time, we are building the DASNY workforce of the future, focusing on diversity and the skills needed in a changing economy. We are growing our capabilities in engineering, construction, finance, and throughout our organization. We are building and developing homegrown talent, and recruiting talented professionals who recognize how DASNY's work is making an impact on communities. Our talented colleagues help transform our clients' visions into reality in healthcare and education, social services, climate resiliency, and so much more.

DASNY is committed to delivering the highest quality service to our clients across the board. For our construction clients, we work with them from project design to product delivery. For our public finance clients, we consult on financing objectives, then work to deliver the transaction to the capital markets, meeting the needs of both investors and New York communities.

At DASNY, we partner with organizations, non-profits, local governments, state and community leaders to achieve their visions while creating opportunities for small businesses, especially minorities, women and disabled veterans, to share in the work New York is generating. Throughout all of our work, DASNY is strongly committed to meeting, and surpassing, goals for Minority- and Women-owned Business Enterprises.

We are grateful to Governor Hochul, the Legislative Leaders, and all of those who put their trust in the work we do as we work together to make New York the greatest state in the nation.

Sincerely,

Robert J. Rodriguez
President and CEO



ABOUT DASNY

DASNY is New York State's public finance, construction, and grants administration public benefit corporation.

DASNY serves as a conduit bond issuer for public institutions, health care and higher educational institutions, and not-for-profit organizations.

DASNY manages projects to help our clients better serve the public. These services include improving the critical infrastructure of existing buildings, rehabilitating and reconstructing building exteriors, upgrading building management systems' technology, and many others.

DASNY administers capital grant programs enacted by the State to provide critical financial resources to local governments, not-for-profit organizations, and other eligible entities.

In addition to DASNY's work to create economic opportunities for underserved communities in procurement and contracting, DASNY retains a core commitment to diversity, inclusion, and equity in its internal operations.



DASNY team at SUNY
New Paltz Awosting Hall

996

Construction projects in process

\$12 billion

Construction portfolio

\$426 million

New procurement activity

36%

MWBE expenditures

\$215 million

MWBE expenditures

\$17 million

SDVOB expenditures



\$8 billion

New bonds issued

\$56 billion

Bond portfolio

2,500+

Grants processed

780

Completed grant disbursement agreements valued at approximately

\$235 million

OUR PEOPLE

| Employee & Community Engagement

DASNY is committed to creating a workplace where everyone is valued, respected, and included. We strive to attract top talent that reflects the communities that we serve. We know that diverse teams and engaged employees are the key to providing the best services to our clients and driving innovation.

DASNY All-Hands Meeting

32%
Of employees have
over 20 years of
DASNY service



Left:
JP Morgan
Team Challenge



Right:
Volunteering
with NE Regional
Food Bank



158
Professional
licenses/
certifications
held by employees



Celebrating Pride



Career Fair

73% of employees hold undergraduate degrees

32% of employees have a graduate or advanced/professional degrees



Left: DASNY construction team

Bottom: NYC Bi-Annual Meeting



Top CDPHP Workforce Team Challenge

Left: Lunch & Learn



DASNY staff received

12,342 hours of professional development training

2,630 hours of NYS required training

Diversity & Inclusion All Stars

These colleagues embody DASNY's commitment to creating a diverse, equitable and inclusive workplace.



Tamika Dunnaway



Julio Abreu-Mojica



Kate Seely-Kirk



Thomas Christian

MWBE & SDVOB

Minority And Women-Owned Business Enterprises (MWBE) & Service-Disabled Veteran-Owned Business (SDVOB)

Diversity at DASNY is about bringing top talent, multiple perspectives, and best solutions to every project. Our commitment to MWBE and SDVOB permeates everything we do.

The Opportunity Programs Group engages in outreach, planning and executing MWBE workshops, approves MWBE utilization plans, and reviews MWBE participation on every project.

The Capital Management Plan helps MWBEs and SDVOBs by providing project-specific lines of credit, surety bonding and back-office support to help them successfully bid on and execute DASNY construction projects as prime contractors.

\$215 million

Total MWBE expenditures

\$17 million

SDVOB expenditures

595

MWBE prime /sub contractors





36%

Total MWBE
expenditures

34%¹

MWBE legal
expenditures



32.7%

MWBE Underwriter
Participation for
State Debt Transactions
(Designations)

41.1%²

MWBE Broker-Dealer



» *New York State has set a high bar with a 30 percent MWBE participation rate benchmark on all state contracts. We are proud to say we have not only proven we can meet it, but we can and will continue to exceed it.* «

Robert J. Rodriguez, DASNY President and CEO

1 A blended rate including voluntary private client MWBE participation not required under Executive Law Article 15-A.
2 The Participation based upon par value transactions awarded to MWBE.

FINANCE

With the issuance of \$8.0 billion of bonds during FY 23-24, DASNY's outstanding bond portfolio now totals approximately \$55.8 billion.

Of the bonds outstanding, approximately 70% are on behalf of public programs. These include bonds for state programs that are repaid primarily through state personal income tax and sales tax revenues; for school districts and other local governments which repay bonds from public revenues; and for State University of New York (SUNY) dormitory projects, which the institutions repay from dormitory revenues. In addition, approximately 21% of outstanding bonds have been issued on behalf of independent higher education institutions and other not-for-profit borrowers and approximately 9% have been issued for independent health care institutions. These debts are repaid by the institutions themselves.

\$8 billion

Total bonds issued

32.7%

MWBE Underwriter Participation for State Debt Transactions (Designations)

41.1%¹

MWBE Broker-Dealer



North Shore University Hospital

¹ The Participation based upon par value transactions awarded to MWBE.



LEED Silver certified SUNY New Paltz Awosting Hall

\$113 million

First-Ever Sustainability Bond Issuance to Fund Green and Social Projects at SUNY

DASNY-issued bonds will fund green projects to help meet New York State’s environmental targets. Projects will include the construction and rehabilitation of dormitory facilities on various SUNY campuses aligned with sustainability bond guidelines. Expenditures include electrical projects, HVAC upgrades, roofing improvements, and more.

» *The residential facilities resulting from the collaboration between DASNY and SUNY are integral to students’ educational and social experiences during critical years of their lives.* «

Robert J. Rodriguez, DASNY President and CEO

\$100 million

New York Institute of Technology (NYIT)

To finance the renovation of a classroom building to create a new Biomedical Research Innovation and Imaging Center. Financing supports infrastructure, façade, roof, mechanical system, flood mitigation, security and code compliance upgrades, interior renovations of academic and administrative spaces, renovations of student and athletic spaces, and various other renovation and deferred maintenance projects across the Institute’s New York campuses.



NYIT Biomedical Research, Innovation, and Imaging Center rendering



\$1.08 billion

Financing Funds Upgrades for School Districts Statewide

DASNY issued low-cost, tax-exempt bonds on behalf of 88 school districts across New York State. Projects supported by these bonds include classroom additions and renovations, athletic field improvements, energy efficiency upgrades, safety enhancements, and technology updates to promote innovation and collaboration.

Bonds Delivered

Public Financings:

School Districts Revenue Bond Financing Program Revenue Bonds, Series 2023A, 2023B, 2023C, and 2023D Finance all or a portion of the costs of school district capital facilities and school district capital equipment, 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 and to pay costs of issuance. (\$1,075,205,000)

Master BOCES Program Lease Revenue Bonds (Greater Southern Tier), Series 2023 Finance various capital projects at two of the three campuses of Greater Southern Tier BOCES and pay costs of issuance. (\$19,975,00)

State Sales Tax Revenue Bonds, Series 2023A (Tax-Exempt) and 2023B (Taxable) (i) Finance or reimburse all or a portion of the costs of programs and projects throughout the State, (ii) tender a portion of the DASNY State Personal Income Tax Revenue Bonds Series 2019F, (iii) refund all or portions of various series of State supported debt previously issued by Authorized Issuers and (iv) pay costs of issuance. (\$1,744,540,000)

State University of New York Dormitory Facilities Revenue Bonds, Series 2023A (Sustainability Bonds) and 2023B (Tender) Finance new money projects across various campuses, to tender portions of its 2019B and 2021A bonds and pay costs of issuance. (\$351,790,000)

Personal Income Tax Revenue Bonds Revenue Bonds, Series 2023A and Series 2023B (Federally Taxable) (i) Fund a portion of a Mental Health Voluntary Agency facilities project, (ii) refund all or portions of various series of State-supported debt previously issued by Authorized Issuers and (iii) pay costs of issuance. (\$926,570,000)

Personal Income Tax Revenue Bonds (General Purpose), Series 2024A and Series 2024B (Federally Taxable) (i) Finance or reimburse all or a portion of the costs of programs and projects throughout the State, (ii) refund all or portions of various series of State-supported debt previously issued by Authorized Issuers and (iii) pay costs of issuance. (\$2,875,835,000)

City University System Consolidated Fifth General Resolution Revenue Bonds, Series 2024A (i) Reimburse the State for costs associated with funding various capital projects for CUNY Senior College facilities and (ii) pay costs of issuance. (\$242,185,000)

\$7.2 billion
Bonds issued for public programs



St. John's University Health Sciences Center rendering

Private Financings:

St. John's University Revenue Bonds, Series 2023 (Private Placement) (Forward Delivery) Refund the University's DASNY Series 2013A bonds, finance portions of various construction projects, including a new 68,000-square-foot Health Sciences Center and pay costs of issuance. (\$57,935,000)

Columbia University Revenue Bonds, Series 2023A (i) Finance various design, construction, and renovation projects throughout the University system, (ii) refund \$125 million of certain outstanding taxable commercial paper issued by the University, the proceeds of which were used to refund or refinance a portion of DASNY's Columbia University Revenue Bonds, Series 2011A and (iii) pay costs of issuance. (\$275,000,000)

InterAgency Council Pooled Loan Program Revenue Bonds, Series 2023A-1 and Series 2023A-2 (Federally Taxable) Finance, refinance or reimburse a portion of the costs of the acquisition, renovation and furnishing of certain facilities of the seven Series 2023 Participants for the provision of services to people with developmental disabilities or other special needs and pay costs of issuance. (\$24,735,000)

New York and Presbyterian Hospital Obligated Group Revenue Bonds, Series 2023A (i) Refinance The New York and Presbyterian Hospital's 2013 taxable FHA Insured Mortgage Loan and (ii) pay costs of issuance. (\$292,900,000)



Tax-Exempt Equipment Leasing Program (TELP)

TELP helps health care facilities, higher education institutions and certain eligible not-for-profit institutions receive the benefit of tax-exempt financing for state-of-the-art equipment.

Tax-Exempt Leasing Program I (Health Care)

Episcopal Health Services, Inc.

Lease for various heating, ventilation and air conditioning (HVAC) and other equipment including steam to hot water conversion, chilled water system upgrades, domestic hot water renovations and air handling units. (\$26,250,000)

Tax-Exempt Leasing Program II (Higher Education/Other Not-for-Profits)

NYSARC, Inc.

Lease for information technology and transportation equipment. (\$7,314,680)

\$33.6 million

Total TELP leases

American Musical and Dramatic Academy (AMDA) Inc. Revenue Bonds, Series 2023A Refinance the Academy's Series 2015 and Series 2018 Bonds issued by Build NYC and a taxable bank loan issued in 2015, to finance various renovation and deferred maintenance projects at the Academy's New York facilities and to pay a portion of costs of issuance. (\$55,980,000)

New York Institute of Technology Revenue Bonds, Series 2024 Finance projects across the Institute's New York and Long Island campuses including: (i) complete interior renovation of a classroom building to create a new 20,000 square-foot Biomedical Research Innovation and Imaging center on the Long Island campus, (ii) infrastructure, facade, roof, mechanical system, flood mitigation, security and code compliance upgrades on both campuses, (iii) interior renovations on both campuses of academic and administrative spaces, (iv) renovations of student and athletic spaces, and (v) various renovation and deferred maintenance projects across both campuses. Bond proceeds also used to fund capitalized interest and to pay costs of issuance. (\$100,000,000)

CUNY Advanced Science Research Center



\$806.6 million

Bonds delivered for independent private-sector clients

| State Capital Grant Programs

DASNY is authorized to issue bonds to finance the costs of capital grants to build, expand or renovate community facilities throughout New York. DASNY works with its State partners to structure the programs, verifies that the grantees and the projects awarded by the State are eligible to receive grants, works with the grantees to assist them in accessing the funds, and reimburses grantees for eligible capital expenses.



United Way of Long Island received a CCAP grant for their 'Net Zero Energy Challenge' to provide essential skills training for populations in need while transforming their headquarters with one of the largest solar arrays of any not-for-profit building in New York

780 Grant disbursement agreements with grantees valued at approximately **\$235 million**



Mount Kisco Child Care Center, a nonprofit that provides child care and early education to support working families, received a NICIP grant for significant renovations



Compassion Coalition serves the underprivileged, the needy, the poor, and those lacking basic life necessities such as affordable food, clothing, and employment. DASNY administered the grant to help the organization purchase a warehouse to increase capacity and distribution to local agencies/ organizations/schools



The Underground Railroad History Project of the Capital Region received seven state grants to cover capital construction costs for the Stephen and Harriet Myers Residence restoration

Capital Grant Programs Administered by DASNY

- Community Capital Assistance Program (CCAP)
- Community Enhancement Facilities Assistance Program (CEFAP)
- Community Resiliency, Economic Sustainability, and Technology Program (CREST)
- Generating Employment Through New York Science (Gen*NY*sis)
- Local Community Assistance Program (LoCAP)
- New York Economic Development Capital Program (NYEDCP)
- New York Economic Development Program (NYEDP)
- New York State Capital Assistance Program (NYS CAP)
- New York State Economic Development Assistance Program (NYSEDAP)
- Nonprofit Infrastructure Capital Investment Program (NICIP)
- New York State Regional Economic Development Program (NYSRED)
- New York State Technology and Development Program (NYSTAD)
- Rebuilding the Empire State through Opportunities in Regional Economies (RESTORE)
- Strategic Investment Program (SIP)
- State and Municipal Facilities Program (SAM)

Grant Programs Administered with Other State Agencies or Entities

- Higher Education Capital Matching Grant Program (HECap) (HECap Board)
- Lake Ontario Resiliency & Economic Development Initiative (REDI)
- Veterans Nonprofit Capital Program (VNCP) (NYS Division of Veterans' Services)
- Child Care Capital Program (Office of Children and Family Services)
- Library Construction Grant Program (NYS Education Department)
- Expanding All Children's Education and Learning Program (EXCEL) (NYS Education Department)
- Multi-Modal Program (NYS Department of Transportation)
- Capital Restructuring Finance Program (CRFP) (NYS Department of Health)
- Health Care Efficiency and Affordability Law for New Yorkers Capital Grant Program (HEAL-NY) (NYS Department of Health)
- Statewide Health Care Facility Transformation Program (NYS Department of Health)



Fordham University received a HECap grant to help transform McShane Center by integrating existing structures with a new arcade, fitness center, student lounge, ministry offices, and multipurpose event spaces

CONSTRUCTION



Lehman College School of Nursing

DASNY provides a broad range of construction services to governmental, educational, and non-profit institutions. These services include planning, design and construction, and construction monitoring, as well as procurement of furnishings and equipment. DASNY's collaboration on a full range and scope of capital projects help our partners meet the wide variety of needs of their clients as we work together to serve New Yorkers.

996

Construction projects

\$12 billion

Construction portfolio

36%

Total MWBE expenditures

Construction projects

DASNY's breadth of construction services for our clients range in size from relatively small renovations to some of the most highly complex projects in the state.

Program	Projects	Value
Court Facilities	3	\$37,115,370
CUNY Capital	126	\$1,993,493,318
CUNY Minor Capital	275	\$404,760,927
Department of Environmental Conservation	1	\$2,151,890
Department of Health Capital	2	\$1,721,680,000
Department of Health Minor Capital	13	\$26,088,592
Education Department	3	\$14,623,206
Homeless Housing & Assistance Program	90	\$4,217,367,833
Miscellaneous	13	\$222,640,750
NY Rising Community Reconstruction Program	2	\$20,054,983
NYC Housing Authority	4	\$1,267,658,834
NYC Office of Chief Medical Examiner	1	\$388,160
NYS Social Equity Cannabis Program	21	\$36,390,870
Office of Alcoholism & Substance Abuse Services	100	\$247,199,582
OMH and OPWDD Capital	46	\$1,200,139,861
OMH and OPWDD Minor Capital	228	\$243,632,173
Special Education Schools Minor	1	\$40,000
SUNY Capital	12	\$204,288,677
SUNY Community Colleges	9	\$200,940,070
SUNY Minor Capital	46	\$73,523,589
Total	996	\$12,134,178,685



University at Albany

401 CUNY projects valued at
\$2 billion



Queensborough Community College Performing Arts Center restoration

» Support from the Dormitory Authority of the State of New York enables CUNY to provide cutting-edge educational facilities across 25 campuses and all five New York City boroughs, benefiting hundreds of thousands of students as well as residents of the surrounding communities. By helping CUNY to modernize and maintain classrooms and laboratories along with centers for childcare, athletics and the performing arts, museums and galleries, health care clinics and more, DASNY is helping CUNY to lift New York. «

Félix V. Matos Rodríguez, CUNY Chancellor

Queens College Louis Armstrong House Museum



City Tech Allied Health Building



The State University of New York

67 SUNY projects valued at \$478 million



SUNY Poly Hillside

» Our SUNY campuses provide an excellent education and are a home away from home for so many of our students who reside on campus. We are thankful for DASNY’s partnership in providing quality residential facilities that enhance our students’ educational and social experiences, and we appreciate their shared commitment toward making our buildings more sustainable and energy efficient. «

John B. King, Jr., SUNY Chancellor



University at Buffalo Ellicott Complex entrance renovation



Office of Mental Health



Office for People With Developmental Disabilities

274 OMH & OPWDD projects valued at **\$1.2 billion**



OMH Capital District Psychiatric Center renovation



OMH Mid-Hudson Psychiatric Center rendering

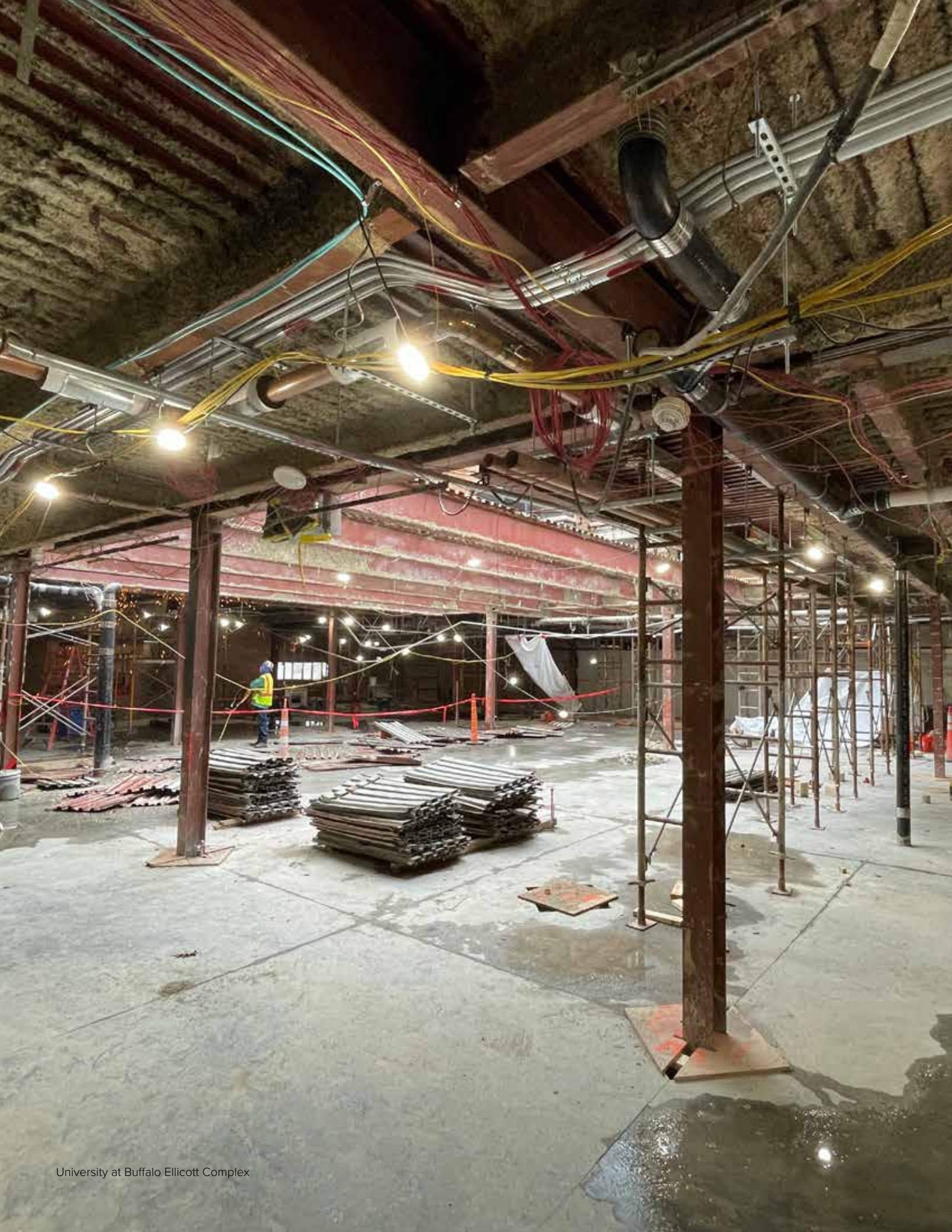


Office of Addiction Services and Supports

100 OASAS projects valued at **\$247 million**



John L. Norris Addiction Treatment Center



| New construction projects

84
New projects totaling
\$466.8
million

City University of New York (CUNY)

Bernard M. Baruch College

- Reconstruction of Newman Hall for the Legal and Diversity and Inclusion departments to be located adjacent to one another, and swing space for 17 Lexington Phase Two renovation (\$4 million)
- Renovation of the Lawrence and Eris Field Building, the Newman Hall Building, and the Administration Building (\$4.5 million)

Borough of Manhattan Community College

- Main campus HVAC upgrades (\$18.6 million)
- Replace Building Management System Direct Digital Controllers with ASHRAE (\$16 million)

Bronx Community College

- Installation of utility submeters for real time utility monitoring (\$4.8 million)
- Replace existing Building Management System (\$24.6 million)

Brooklyn College

- Renovation of lab and classroom at Allied Health Center to accommodate anticipated growth in enrollment within the health care field (\$4 million)

City College of New York

- Escalator replacement at North Academic Center (\$5 million)
- Installation of new energy code-compliant insulated plexiglass units and interior finishes at North Academic Center (\$3.5 million)
- Installation of new finishes, lighting, HVAC distribution, electrical, and required life safety systems at Compton Goethals Hall (\$1 million)
- Steinman Hall renovations including installation of new finishes, door hardware, access control, lighting, electrical power distribution, data connectivity, lab casework and equipment, and upgrade existing HVAC systems (\$4 million)

College of Staten Island

- Reconstruction of the entry plazas at South Quad Buildings 1S, 2S, 4S, 6S, including improvements to egress flow, landscaping, and exterior lighting (\$12 million)
- Relocation of the Career Center to the Second Floor of Building 1C at Campus Center (\$3 million)

CUNY Graduate School and University Center

- Reconstruction to accommodate new office and classroom suites at the Graduate School (\$2 million)
- Reconstruction to accommodate new office and classroom suites at the Graduate School (\$1.8 million)

Eugenio Maria De Hostos Community College

- HVAC upgrades at the G Building (\$1.9 million)

Fiorello H. LaGuardia Community College

- Replacement of Building Management System at Shenker Hall M Building (\$3.2 million)
- RCx implementation including control system upgrades for AC-2, replacement of 23 field control panels, and installation of new supervisor and server station (\$1.8 million)
- Replace Building Management System Direct Digital Controllers with ASHRAE Standard 135 BACnet controls and upgrade the Siemens Apogee Insight System software (\$28 million)
- HVAC upgrades at Shenker Hall M Building (\$3.4 million)

Herbert H. Lehman College

- Upgrade IT network infrastructure in Carman Hall and Shuster Hall (\$2.5 million)
- Upgrade of the campus emergency backup power network on the north end of campus (\$6.5 million)

Hunter College

- Slade Elevators upgrades at the North Building (\$1 million)
- Replacement of HVAC systems that serve Thomas Hunter Hall and the North, West & East Buildings (\$4.8 million)
- Reconstruction of North Building at Hunter College, including replacement of exit and emergency lighting and exit signs (\$1 million)
- Renovation of the Black Box Theatre at the North Building (\$6 million)





John Jay College of Criminal Justice Haaren Hall library

John Jay College of Criminal Justice

- Replacement of existing electronic control system at Haaren Hall (\$4 million)
- Haaren Hall library renovation (\$9.6 million)

Kingsborough Community College

- Installation of real-time utility meter monitoring across the campus (\$2.8 million)
- Campus-wide HVAC upgrades (\$59.7 million)
- Replacement of existing Building Management System Direct Digital Controllers with ASHRAE Standard 135 BACnet controls at various buildings (\$36.9 million)

Macaulay Honors College

- Replacement of four stop elevators at Macaulay Honors College (\$1.1 million)

Medgar Evers College

- Upgrade to the Access Lock Control and Public Access Control on doors campus-wide (\$4.7 million)
- Construction to expand the Founders Auditorium (\$8 million)

New York City College of Technology

- Upgrade of technology to support Hyflex instruction in classrooms (\$3 million)
- Reconstruction of labs/technology spaces and acquisition of technology, furniture, and equipment to support the creation of Smart Campus Tech Labs at the Atrium Building, Namm Commerce Center, Voorhees Building, and General Building (\$1.4 million)
- Fire Alarm System installation at NAMM Complex (\$8 million)
- Installation of uninterruptible power supply cooling backup generator for public safety equipment at Namm and Academic Building 1 (\$1.1 million)
- Roof replacement of all low roofs and bulkhead roofs at the Library Building, General Building, and the Environmental Building (\$8.2 million)
- Reconstruction of laboratories on the 6th floor of the Allied Health Center to provide instructional space and offices (\$6 million)
- Renovations of bathrooms and utility closets on floors 4, 5, and 6 at Pearl Building (\$1 million)

Queens College

- Upgrades to information technology and building finishes to Razran Hall (\$10 million)
- Development of Facilities Master Plan at Queens College (\$1 million)
- Exterior accessibility upgrades to Razran Hall for ADA compliance (\$2 million)
- Installation of upgraded fiber for the campus network infrastructure and upgraded building cabling at Kiely Hall (\$2 million)

Queensborough Community College

- Installation of heating hot water and chilled water submeters, utility meter real-time monitoring, and submetering of chillers at various buildings (\$2.2 million)
- Upgrade to elevators at the Medical Arts Building and Science Building (\$6 million)
- Upgrade to energy systems at the Science Building and Medical Arts Building (\$1.3 million)
- RCx Implementation including installation, repair, or replacement of equipment and system components for 33 energy conservation measures (\$1.1 million)
- Replacement of steam generator and vacuum pump in the Technology Building (\$3 million)
- Replacement of high-temperature hot water piping from Science Building to Administration Building (\$1.6 million)

Various Community Colleges

- Upgrades to the Building Management System and HVAC equipment at select CUNY community college buildings (\$1.1 million)
- Renovations at 117 public assembly spaces at various CUNY Community Colleges to meet NYC DOB requirements (\$5.9 million)

York College

- Replacement of the rooftop unit at the Science Building (\$11.4 million)



Mid-Hudson Psychiatric Center rendering

NYS Office of Addiction Services and Supports (OASAS)

C.K. Post Addiction Treatment Center

- Construction to address water infiltration issues impacting the exterior façade and foundation, removal & replacement of exterior concrete ramps, stairs, & railings (\$4.9 million)

John L. Norris Addiction Treatment Center

- Phase VII Construction of the Norris Addiction Treatment Center (\$1.2 million)

NYS Office of Mental Health (OMH)

Binghamton Psychiatric Center

- Window replacement on floors 2 through 5 (\$1.5 million)

Capital District Psychiatric Center

- Replacement of existing generators and switchgear in Buildings 1 and 2 (\$6.9 million)

Central New York Psychiatric Center

- Renovation and upgrades of garages (\$10 million)

Hutchings Psychiatric Center

- Replacement of air handler unit in Building 17 (\$1.4 million)

Kingsboro Psychiatric Center

- Replacement of secure fencing (\$2 million)

Nathan Kline Institution for Psychiatric Research

- HVAC upgrades (\$1.2 million)
- Replacement of three elevators (\$1.1 million)

OMH Office of Mental Health - Various facilities

- Installation of a Computerized Asset Management System at various OMH facilities statewide. (\$1.1 million)

Pilgrim Psychiatric Center

- Replacement of HVAC (\$2.4 million)

Rochester Psychiatric Center

- Renovation of Building 60 to accommodate additional forensic beds and relocation of administrative staff to Building 16 (\$10 million)

Rockland Psychiatric Center

- Replacement of ovens and flooring (\$1.4 million)

South Beach Psychiatric Center

- Auditorium renovations including replacement of seats, lighting, and supporting interiors (\$3.3 million)

St. Lawrence Psychiatric Center

- Decentralize building 201 and 202 from the campus steam facility (\$9.8 million)

NYS Office for People with Developmental Disabilities (OPWDD)

Finger Lakes DDSO

- Replacement of three boilers and restoration of the heating hot water system at Building 66-Tymeson (\$1.2 million)

State University of New York (SUNY)

State University at Albany

- Façade replacement at Liberty Terrace (\$1.6 million)
- Replacement of ceilings, floors, finishes, suite doors, and furniture, and materials abatement in all floors of Livingston Tower (\$8.1 million)

State University at Buffalo

- Renovations of Ellicott staff apartments at Richmond and Spaulding Quadrangles (\$2.3 million)
- Renovations of Ellicott offices at Richmond and Spaulding Quadrangles (\$3.8 million)
- Roof replacement at Red Jacket Quadrangle (\$2.3 million)
- Electrical upgrades at Red Jacket Quadrangle, including public ceiling lights, exit sign upgrade, student room outlets, and electrical room equipment upgrades (\$2.6 million)

State University at New Paltz

- Bathroom renovations on all floors at Capen Hall (\$1 million)
- Bathroom renovations on all floors at Gage Hall (\$1.3 million)

New Modified Projects where DASNY has various levels of construction oversight:

Homeless Housing Assistance Program (HHAP)

- 35 projects located in Bronx, Dutchess, Erie, Kings, Monroe, Montgomery, New York, Niagara, Orange, Saratoga, Steuben, Suffolk, Tompkins, and Ulster Counties (\$2.3 billion)

Office of Addiction Services and Supports (OASAS)

- One project located in Allegany County (\$1 million)

State University of New York (SUNY)

- 15 projects located in Albany, Erie, New York, Oneida, Onondaga, Schenectady, Suffolk, and Warren Counties (\$66 million)

Ongoing construction projects

\$1.2 billion Active construction projects over \$1 million managed by DASNY

City University of New York (CUNY)

- **Baruch College**, Field Building Renovation (\$35.1 million)
- **Bronx Community College**, Bronx Express Facilities (\$22.3 million)
- **College of Staten Island**, Center Computational Science (\$37 million)
- **College of Staten Island**, Athletic Field Reconstruction (\$19.7 million)
- **New York College of Technology**, Allied Health Building Renovation (\$21.6 million)
- **Queens College**, New Chiller Plant (\$39 million)
- **York College**, Track and Field Complex (\$11.8 million)

NYS Office of Mental Health (OMH)

- **Central New York Psychiatric Center**, Renovations to Building 39 (\$140.5 million)
- **Kingsboro Psychiatric Center**, Interior Renovations Building 1 & 2 (\$32.7 million)
- **Mid-Hudson Forensic Psychiatric Center**, Design and Construction of a Replacement Facility (\$456 million)
- **Western New York Psychiatric Center**, Life Safety Code Upgrades (\$66.5 million)

NYS Office for People with Developmental Disabilities (OPWDD)

- **Broome DDSO**, Roof Replacement at Buildings 1-5 (\$11.5 million)

State University of New York (SUNY)

- **Fashion Institute of Technology**, New Academic Building (\$188.4 million)
- **State University at Albany**, Renovations to Colonial Quad, Buildings G, H and the Pavilion (\$46.9 million)
- **State University at Buffalo**, Ellicott Welcome Center (\$26 million)
- **State University at New Paltz**, Mohonk Hall Renovations (\$49 million)



SUNY New Paltz Mohonk Residence Hall

York College Track and Field Complex



Completed construction projects

57
Completed projects
valued at
**\$348.8
million**

City University of New York (CUNY)

Baruch College

- ADA upgrades to entrance and bathrooms in the administration building (\$3.7 million)
- Replacement of flooring throughout the Newman Vertical Campus (\$3.2 million)
- Roof replacement at the Library and Technology Building (\$4.5 million)

Bronx Community College

- Elevator installation in Snow Hall (\$1.3 million)

Brooklyn College

- Anslu System Code Compliance (\$1.9 million)

City College of New York

- Renovations of classrooms, lecture halls, bathrooms, signage, and improving access and circulation in/out of buildings to comply with the ADA requirements (\$10.5 million)
- Roof replacement at Compton Goethals Hall (\$5.6 million)
- Installation of a monitoring system for all elevators that require modification at various Senior Colleges (\$6.2 million)
- Renovation at the Graduate School and University Center to create a multi-purpose space, including interactive data displays, workforce training classrooms, software research labs, visualization theater, meeting spaces and collaborative hubs (\$6.6 million)

Lehman College

- Construction of a building adjacent to Davis Hall to house the new Nursing Education, Research, and Practice Center (\$92.7 million)

Medgar Evers College

- Bedford Building lobby renovation (\$12.1 million)

New York City College of Technology

- Renovation of bathrooms in Voorhees Hall (\$6.1 million)
- Replacement of the vestibule at Namm Hall and Interior Signage Program for the Namm Complex (\$8.3 million)

Queens College

- Dining hall roof reconstruction (\$6.9 million)
- Heating plant roof replacement (\$2 million)

Queensborough Community College

- Reconstruction of the Performing Arts Center to meet ADA requirements (\$16.2 million)
- Reconstruction of the vehicle fuel dispensing system (\$1.2 million)

York College

- Replacement of Fuel Oil Tanks (\$1.9 million)

Housing Trust Fund Corp (HTFC)

- Resiliency improvements including storm drainage improvements, antenna installation, construction of additional truck room bay at Oceanside Fire District Headquarters, installation of gas generator at Terrace Hose Company #3, and roof and floor replacement at Columbia Engine Co #1 (\$8.9 million)
- Resiliency improvements including installation of a roof top permanently affixed emergency generator at Catholic Charities of the Archdiocese of New York (\$6 million)

New York Social Equity Cannabis Investment Fund, LP (NYSECF)

- Reconstruction of leased space for 16 cannabis dispensaries (\$24.2 million)

Medgar Evers College





University at Albany

Office of Addiction Services and Supports (OASAS)

- Improvements to sub drainage at foundation walls, plaster or gypsum wall and ceiling surfaces at areas damaged by water infiltration, HVAC, electrical, lighting, windows, elevator system maintenance, and plumbing at St. Lawrence Addiction Treatment Center (\$1.1 million)

Office of Mental Health (OMH)

Capital District Psychiatric Center

- Structural mitigation and repair of the parking garage at Capital District Psychiatric Center (\$1.7 million)

Hutchings Psychiatric Center

- Roof replacement at building 5 (\$1.3 million)
- Roof replacement with a new modified bitumen roofing system on Building 12 (\$1.5 million)
- Building 10 site improvements including replacement or repair of sidewalks, roads, parking lot lighting, and trees (\$5.3 million)

Kingsboro Psychiatric Center

- Replacement of the Building Management Systems and reconditioning of the Fan Box Reconditioning at Building 2 at Kingsborough Psychiatric Center (\$2.4 million)

Mohawk Valley Psychiatric Center

- Construction of a larger gym and expansion of the outdoor secure space at Building 64 (\$8.2 million)

Nathan S. Kline Institute for Psychiatric Research

- Renovation of Building 39 to accommodate a Tunnel Washer (\$1.2 million)
- Maintenance Department relocation to Building 19 at the Nathan Kline Institute of Psychiatric Research (\$2 million)

New York Psychiatric Institute

- Roof replacement at Building 5 at New York Psychiatric Institute (\$7.6 million)

Rochester Psychiatric Center

- Reconstruction of building 45 to comply with NYS OMH specifications and roof reconstruction (\$1.4 million)

South Beach Psychiatric Center

- Reconstruction and asbestos abatement at Buildings 6 and 7 at South Beach Psychiatric Center (\$4.5 million)

Office of People with Developmental Disabilities (OPWDD)

- Replacement of 125 windows in four separate houses and connecting hallways at Sunmount DDSO (\$800,000)
- Roof replacement for Building 16 at Western New York DDSO (\$1.1 million)

State University of New York (SUNY)

State University at Buffalo

- New finishes and furniture in the corridors and lounges of Clement Hall (Floors 1-9, UB South), and dorm room floors replacement and paint (\$5.3 million)
- Temporary offices preparation at University at Buffalo to clear the footprint of the Elliot Welcome Center. After the temporary offices are cleared additional FF&E to be purchased for student study spaces and lounge/program space at Richmond Quadrangle (\$2.9 million)
- Replacement of bathroom sink fixtures/cabinets and refinishing existing tile walls/floors with the Miracle Method finish at Goodyear Hall (\$1.4 million)
- Roof replacement of the Spaulding, Wilkeson, and Fargo buildings at the Ellicott Complex (\$2.3 million)

State University at New Paltz

- Renovation of existing building and construction of a 70 bed vertical expansion at Awosting Hall, including a new upper 4th floor level with a sloped roof and mechanical room (\$40.9 million)

SUNY College of Technology at Alfred

- Reconstruction of the north wing of Mackenzie Hall, including abatement and demolition of row house 4 and creation of an access roadway between North and Mackenzie commons (\$22.8 million)

SUNY College of Technology at Delhi

- Fire Alarm System replacement in Murphy and O'Connor Halls (\$1 million)

Completed modified projects where DASNY has various levels of construction oversight:

Homeless Housing Assistance Program (HHAP)

- Seven projects located in Bronx, Franklin, Kings, Monroe, New York, Rensselaer, and Rockland Counties (\$190 million)

Office of Addiction Services and Supports (OASAS)

- Two projects located in Albany and Bronx Counties (\$23.5 million)

State University of New York (SUNY)

- 48 projects located in Albany, Broome, Cayuga, Chautauqua, Dutchess, Erie, Essex, Fulton, Genesee, Jefferson, Monroe, New York, Niagara, Oneida, Onondaga, Ontario, Orange, Schenectady, Suffolk, Sullivan, Ulster and Warren Counties (\$73.4 million)

SUSTAINABILITY

Advancing New York State Environmental Policy Goals

DASNY continues to work collaboratively with other State entities to further advance the sustainability, energy, and environmental policies and goals of New York State as set forth in State laws and executive actions. These include the Climate Leadership and Community Protection Act (CLCPA), which sets greenhouse gas (GHG) emissions reduction targets of 40% by 2030 and 85% by 2050 from 1990 levels; and Executive Order No. 22, which accelerates and streamlines New York State’s sustainability and climate objectives and sets new goals for the environmental performance of State agencies through alignment with the CLCPA. DASNY works with our project teams to improve energy efficiency, occupant health, materials management, durability, and resilience in our design and construction projects by training agency staff and vendors, developing specifications to assist state entities in their green procurement, and other planning, design, and construction-related activities.

Providing expertise to DASNY clients

As of March 2024, 49 DASNY projects have received a LEED rating, including 3 Platinum, 19 Gold, 24 Silver and 3 Certified. In FY 23-24, DASNY had 12 LEED-AP BD+C staff, seven Legacy LEED APs, one staff member trained in Urban Green Council’s GPRO Fundamentals of Building Green certification, and three Certified Energy Managers. These accredited staff use their advanced and specific knowledge to assist DASNY and its clients in achieving both client and state sustainability goals, including those addressing climate change adaptation and mitigation.

49
DASNY projects
have LEED
certification

+15
Current and
upcoming
LEED projects

19
Energy Performance
Contracts in
construction

20
Energy Performance
Contracts in
design phase



DASNY provided professional services to add solar array for NYS Veterans’ Home in Oxford, NY



LEED Gold CUNY Advanced Science Research Center



LEED Silver NYCHH/Gotham Health Vanderbilt



LEED Silver SUNY New Paltz Awosting Hall



Net-zero Carbon Certified SUNY Poly Hilltop Hall





NYS Department of Health Life Sciences Public Health Laboratory

| Construction programs & initiatives

\$1.7 billion

Management of programming, design, and construction for NYS Department of Health Life Sciences Public Health Laboratory

New York State Department of Health Life Sciences Lab

The design-build contract with the Gilbane Turner Joint Venture team was approved by the NYS Office of the State Comptroller in March 2024 signifying the formal commencement of the project. The \$1.7B project seeks to consolidate five dispersed DOH capital region campuses into one state-of-the-art public health facility located at the Harriman Campus in Albany, NY. Following the Comptroller's Office approval, a public meeting was held on March 26 associated with the State Environmental Quality Review for the project. Design has begun with early packages expected to reach construction in 2025.

Department of Health Certificate of Need (CON) Reviews

Since the first MOU with DOH in 2011, DASNY has completed 477 reviews for 150 hospitals and health care providers valued at approximately \$15.6 billion. Projects reviewed include new construction, renovations, and additions to hospitals, rehabilitation centers, urgent care facilities, specialty/ambulatory surgical centers, imaging centers, oncology/infusion clinics, and outpatient diagnostic and treatment centers.

NY Works

During FY 23-24, DASNY continued to perform construction management services for the NYS Department of Environmental Conservation (DEC) and the NYS Office of Parks, Recreation and Historic Preservation (OPRHP) under the NY Works Program.

State University of New York – Residence Hall Program

During FY 23-24, DASNY completed 19 summer projects with a value of \$32 million and continued work on five capital projects at SUNY Albany, Alfred State (2), SUNY New Paltz and University at Buffalo valued at approximately \$105 million.





| Other initiatives

Atlantic Avenue Healthcare Property Holding Corporation

The enacted 2019-20 State Budget authorized Atlantic Avenue Healthcare Property Holding Corporation to transfer four parcels of property pursuant to a plan to increase access and quality of health care services and preventative care and to create affordable housing to transform Central Brooklyn (Public Authorities Law 1678(25)(e) and (f), as amended by Part C of Chapter 58 of the Laws of 2019). Such plan is subject to approval of the Commissioner of Homes and Community Renewal (HCR), the Commissioner of Health (DOH), and the Director of the Division of the Budget (DOB) in accordance with the legislation. HCR selected developers for each parcel pursuant to a Request for Proposals (RFP) process. As of May 25, 2023, all four properties have now been transferred. The transfers occurred in October 2020, February 2022, September 2022, and May 2023.

New York State Health Care Transformation Programs (HCFTP)

Since 2014, DASNY has worked with DOH under several Health Care Transformation Programs (HCFTP) to achieve the State's health care transformation goals and strategies, including financing programs through issuance of bonds. Each HCFTP specifies that:

- (a) the particular HCFTP program is jointly administered by DASNY and the DOH in accordance with the terms of the applicable legislation, appropriation and administration agreement;
- (b) the funds appropriated for the particular HCFTP program shall be awarded without a competitive bid or request for proposals process;

(c) the programs may be financed in significant part through the issuance of DASNY and/or the New York State Urban Development Corporation (UDC) bonds; and

(d) the issuance of such bonds or notes shall be approved by the NYS Public Authorities Control Board (PACB).

To date, over \$6 billion has been made available to health care providers through multiple programs, including:

- Capital Restructuring Financing Program;
- Health Care Facility Transformation Program Kings County;
- Health Care Facility Transformation Program Oneida County;
- Health Care Facility Transformation Program Statewide I;
- Health Care Facility Transformation Program Statewide II;
- Health Care Facility Transformation Program Statewide III;
- Health Care Facility Transformation Program Statewide IV; and
- Health Care Facility Transformation Program Statewide V.

Depending on the program, grant funding was awarded for capital projects and/or projects that replace inefficient and outdated facilities as part of a merger, consolidation, acquisition or other significant corporate restructuring activity intended to create a financially sustainable system of care. Funding has been provided to hospitals, residential health care facilities and community-based health care providers located throughout the State. Interest in programs has been high, and the administration of each program continues per the Administration Agreement required for each respective program. Post-award work on all grant programs continues to date.

NGHP Holding Corporation

NGHP Holding Corporation 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 (“NGH”) 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 New York City Health + Hospitals (“H+H”) entered into a Lease Agreement (the “H+H Lease”), pursuant to which NGHP leased the Main Building to H+H to be renovated by H+H for use as a Long Term Acute Care Hospital (“LTACH”). On the same date, NGHP sold the Parking Lot to H+H 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. Furthermore, reconstruction and renovation work on the Main Hospital Building was completed and opened as a 210-bed LTACH by H+H in November 2013.

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 NGH and settled and paid the remaining claims of creditors, both secured and unsecured. The Liquidation Trustee then filed the final accounting with the Bankruptcy Court and the Bankruptcy case was closed.

Current Activities

Rental payments from H+H to NGHP are based on the amount equal to all fee-for-service Medicaid capital cost reimbursement it receives from the NYSDOH attributable to the Lease. The last annual rental payment made by H+H was received on March 30, 2023 and was for the period July 1, 2021 through June 30, 2022. A more recent annual rental payment was expected from H+H before March 31, 2024. DASNY received payment for the period July 1, 2022 through June 30, 2023 in May 2024.

These annual rental payments are used to cover property insurance costs associated with the NGHP property, while any remaining rental proceeds are forwarded to the Division of Budget (“DOB”) to either reimburse the State for historical payments made to Secured Hospital bondholders (all of which have either matured or been refinanced through a state bond issuance in mid-2021), or to offset current State financial obligations. The cost to hold this property related to NGHP is not creating any financial burden on either DASNY, or its NGHP subsidiary.

Atlantic Avenue Healthcare Property Holding Corporation

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

Interfaith Medical Center (“IMC” or Interfaith”) filed a petition under Chapter 11 of the Bankruptcy Code on December 2, 2012. On June 11, 2014, the Bankruptcy Court confirmed a Chapter 11 Plan that became effective on June 19, 2014. The Chapter 11 Plan provided for, among other things, Atlantic to receive title to Interfaith’s real property and a restructured Interfaith (“New IMC”) to operate a hospital at the premises subject to a lease and related agreement with Atlantic. Atlantic maintains the authority to hold title to dispose of, and perform the functions of an owner of certain real and personal property formerly owned by IMC.

Effective January 1, 2021, Interfaith and Kingsbrook Jewish Medical Center formally merged into Brookdale Hospital Medical Center. The entity is known as One Brooklyn Health System (“OBHS”). Interfaith and Kingsbrook are now commonly referred to as the Interfaith Division and the Kingsbrook Division, however, Brookdale Hospital is the sole surviving (legal) entity. Among other things, Brookdale assumed Interfaith’s lease and a \$29M note for overdue lease payments owed to Atlantic Avenue. The merger was in furtherance of the OBHS transformation plan for central Brooklyn to create a new, integrated health care delivery system to transform health care and increase access to quality care in Central Brooklyn.

Current Activities

Kings County Transformation Grant

OBHS was originally formed in October 2016 for the purpose of participating in 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 January 31, 2018, OBHS received an award of up to \$664M in capital funding from the Kings County Health Care Transformation Program; with \$210M expected to develop a 32-site ambulatory care network, \$384M for critical clinical and facility infrastructure improvements and \$70M to create an

enterprise-wide Health Technology platform. Over the past year, OBHS continued to progress with its transformation plan using funding from this program, including the closure of all acute care beds and the emergency department at the Kingsbrook Division in November 2023, as that campus evolves from an acute care hospital to a Medical Village focused on outpatient services and a nursing home for adults and children with special needs. To date, approximately 33 of 84 (39%) subprojects have reportedly been completed or are in final closeout within the all-encompassing Kings County grant.

Vital Brooklyn

The enacted 2019-20 State Budget included an amendment authorizing Atlantic Avenue Healthcare Property Holding Corporation to transfer four parcels pursuant to a plan to increase access and quality of health care services and preventative care and create affordable housing to transform Central Brooklyn. Such undertakings are under the auspices of the Governor’s Vital Brooklyn initiative and were subject to approval of the Commissioner of the New York State Homes and Community Renewal (“HCR”), the Commissioner of Health (“DOH”), and the Director of the Division of the Budget (“DOB”), in accordance with the legislation. Over the past year, the last of these parcels were transferred. Specifically, the Atlantic Avenue Board approved the transfers of: (1) 483-503 Herkimer Street at the September 9, 2020 Board Meeting, (2) 1028-1038 Broadway at the January 5, 2022 Board Meeting, (3) 1366 East New York Avenue at the August 10, 2022 Board Meeting, (4) 575 Park Place (a subdivided portion of 528 Prospect Place) at the April 12, 2023 Board Meeting and all four conveyances have since taken place. In addition to affordable housing being constructed on the former Interfaith sites, clinical and administrative space will also be made available for use by One Brooklyn Health System. Separate but related, a vacant parking lot at Kingsbrook, which partially secures the \$29M note owed Atlantic Avenue from Interfaith, was released from our mortgage in December 2023. Such release of mortgage was also part of the Vital Brooklyn initiative but did not require Board action.

The cost to hold properties related to Atlantic Avenue is not creating any financial burden on either DASNY, or its Atlantic Avenue subsidiary.

| Social Equity Servicing Corporation

The Social Equity Servicing Corporation (the “Corporation” or “SESC”) was formed pursuant to paragraph 31 of section 1678 of Public Authorities Law (“PAL”) to provide loan servicing, construction management, real estate, and other related services provided to social equity licensees operating conditional adult use cannabis dispensaries (“CAURD”) licensed by the Office of Cannabis Management (“OCM”) and Cannabis Control Board (“CCB”). The Corporation was authorized, as agent to a private debt or equity fund, to deliver such services consistent with objectives of the OCM/CCB’s social equity cannabis program.

In April 2022, Governor Hochul proposed, and the Legislature enacted, a first-of-its-kind NY Cannabis Social Equity Investment Fund (the “Fund”). This Fund, a Public-Private-Partnership, was created to provide turnkey dispensaries and support to justice-involved cannabis dispensary licensees. An up to \$200 million fund was seeded with \$50 million in State funds, to be repaid from tax revenue generated by cannabis sales, and with an expectation of raising up to \$150 million in private investment. Justice-involved individuals who were disproportionately impacted by the Rockefeller Drug Laws and meeting OCM licensing requirements would have an opportunity to apply for a CAURD license, and potentially participate in the Fund program.

In accordance with its statutory authority, DASNY procured a Fund Manager, engaged in commercial real estate evaluation, and created SESC as a DASNY subsidiary to execute work on behalf and as agent to the Fund. In that capacity, a competitive procurement was conducted to secure Point of Sale systems and design-build firms. SESC also engaged with property owners statewide and negotiated leases, in conjunction with the Fund’s subsidiary, for locations to be subleased to CAURD licensees.

Current Activities:

During the past year, SESC, as the agent to the Fund, was actively engaged in identifying suitable properties for dispensaries around the state, negotiating commercial leases on behalf of the Fund’s subsidiaries for sublease to CAURD licenses. SESC also worked with design build teams to construct and equip the dispensaries. Leases have been executed at 24 locations throughout the state. To date, 20 sites have executed sublease and construction loan documents and are open and operating. Construction has been completed or are close to completion for the remaining 4 locations. Each site required SESC to work closely with its state partners, including the OCM and CCB, to coordinate the matching of licensees to the Fund locations and review of licensee sublease and loan documents.

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



Lisa Gomez
Chair

Pelham (Westchester County)

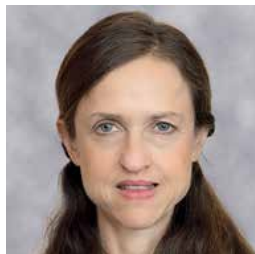
Lisa Gomez was appointed as a Member of DASNY by the Governor on June 2, 2022. Ms. Gomez is CEO of L+M Development Partners, LLC (L+M). She previously served as Chief Operating Officer. L+M develops, builds and manages affordable housing with local agencies such as the New York City Department of Housing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



Gerard Romski, Esq., Mount Kisco.
Vice-Chair

Mount Kisco (Westchester County)

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, NY. 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.



Beryl L. Snyder, J.D., New York
Secretary

New York (New York County)

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 current term expired on August 31, 2016 and by law she continues to serve until a successor shall be chosen and qualified.



Alfonso L. Carney, Jr.
New York (New York County)

Alfonso L. Carney, Jr. was reappointed as a Member of DASNY by the Governor in 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 where 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 Bachelors degree in philosophy from Trinity College and a Juris Doctor degree from the University of Virginia School of Law.



Wellington Z. Chen
Queens (Queens County)

Wellington Z. Chen was appointed as a Member of DASNY by the Governor in 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.



Janice McKinnie
Buffalo (Erie County)

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



Joan M. Sullivan
Slingerlands (Albany County)

Joan M. Sullivan was appointed as a Member of DASNY by the New York State Comptroller in 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.



Kent Syverud
Syracuse (Onondaga County)

Kent Syverud is the 12th Chancellor and President of Syracuse University. During his eleven years as Chancellor, he stewarded the University during a period of transformational change and growth with record applications and enrollment. With his vision, Syracuse University has become the best private university for veterans, tripling enrollment of veterans and military-connected families. Embracing innovation, Chancellor Syverud oversaw Syracuse's launch of one of the first online J.D. degree programs in the nation. A noted legal scholar who served as Law Dean at both Vanderbilt University and Washington University, Chancellor Syverud continues to teach at Syracuse University's College of Law and Whitman School of Management. He led the restructuring of governance of the Atlantic Coast Conference, serving as Chair of the Board of Directors (2019-2021). He serves on the Boards of Crouse Health System and SUNY College of Environmental Science and Forestry, and previously served as Commissioner for the Middle States Commission on Higher Education and co-Chair of the Regional Economic Development Council for Central New York. In 2016, he completed six years as the Independent Trustee of the \$20 billion Deepwater Horizon Oil Spill Trust.



Dr. James V. McDonald M.D., M.P.H.
Commissioner of New York State Department of Health

Albany (Albany County)

Dr. McDonald was appointed Acting Commissioner of Health January 1, 2023 and confirmed as Commissioner by the State Senate on June 10, 2023. Prior to joining the New York State Department of Health in 2022, he served at the Rhode Island Department of Health since 2012, where he served in multiple roles including, Interim Director of Health, Chief Administrative Officer of the Board of Medical Licensure and Discipline, Medical Director for the COVID unit, as well as the Medical Director for Center for Customer Services and the Drug Overdose prevention program. He was also a member of the Governor’s task force on Preventing Overdose deaths. Dr. McDonald has faculty appointments at the Brown School of Public Health as well as the Warren Alpert Medical School of Brown University. Dr. McDonald earned his M.D. from Loyola Stritch School of Medicine in Chicago, and completed his pediatric residency in the US Navy and his preventive medicine residency with the State University of New York. He earned his Master of Public Health degree from the University of North Carolina at Chapel Hill, and Bachelor of Science degree in Biology from Siena College. Dr. McDonald is board certified in pediatrics as well as preventive medicine. His diverse career includes being an officer in the U.S. Navy, as well as private practice in rural areas where health care shortages existed. Dr. McDonald also served in the Indian Health Service in the Navajo Nation, serving as Medical Director of Outpatient Medicine in Chinle, Arizona.

*Ken Evans is the designated representative for the NYS Department of Health.



Dr. Betty A. Rosa
Commissioner of Education of the State of New York, Bronx; ex-officio

Albany (Albany County)

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 in 2021. Previously, she assumed the role of Interim Commissioner of Education and President of the University of the State of New York from 2020 through 2021. Dr. Rosa had served as a member of the Board of Regents and as Chancellor thereof from 2016 through 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 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.

*Christina Coughlin is the designated representative for the NYS Education Department.



Blake G. Washington
Budget Director for the State of New York

Albany (Albany County)

Blake G. Washington is the Budget Director for the State of New York, appointed by Governor Kathy Hochul. Mr. Washington is responsible for the development and management of the New York State budget and leads a team of public servants to administer the fiscal duties of the state, including economic and revenue forecasting, tax policy, fiscal planning, capital financing and management of the State’s debt portfolio. He was previously employed by the New York State Assembly Ways and Means Committee for over 20 years, culminating with his service as Secretary to the Committee from 2015 through 2023. In that role, Mr. Washington advised the Assembly Speaker and the Assembly Majority on all budget and fiscal matters and served as the Assembly’s lead negotiator on the New York State budget. He began his career in public service as a probation officer in Sullivan County, New York. Mr. Washington earned both his master’s and bachelor’s degrees from the University at Albany.

*Adrian Swierczewski is the designated representative for the NYS Division of the Budget.

Executive Leadership Team



Robert J. Rodriguez
President and Chief Executive Officer

Robert J. Rodriguez was appointed Acting President and Chief Executive Officer of DASNY effective May 8, 2024 and was confirmed by the New York State Senate on May 22, 2024 as DASNY's President and Chief Executive Officer. He previously served as New York's 68th Secretary of State, and also served as a member of the DASNY Board of Directors. He served as a member of the New York State Assembly for 11 years, representing Assembly District 68. During his time in the New York State Assembly, he was the Co-Chair of the Legislative Task Force on Demographic Research and Reapportionment, founding Chair of the Assembly sub-committee on Infrastructure and Member of Committees on Ways and Means, Housing, Labor, Banking, Corporation and Authorities, and Mental Health. Mr. Rodriguez held positions at Public Financial Management, A.C. Advisory, Inc and Bloomberg L.P. As a civic leader, he served on several volunteer boards including as Chairman of Manhattan Community Board 11 and as a member of the Board of Directors of the Upper Manhattan Empowerment Zone. He is also an emerging leader of the New America Alliance and the Council for Urban Professionals (CUP) Fellow. He earned his Bachelor of Arts degree in History and Political Science from Yale University and a Master's in Business Administration in Finance from New York University's Stern Business School.



Charlie Williams
Vice President

Mr. Williams assists the President in the administration and operation of DASNY. He coordinates policy and operations across all DASNY business lines and serves as chief advisor on all DASNY operational matters. He is also responsible for communications, marketing and intergovernmental affairs at DASNY. Mr. Williams previously served as Deputy Budget Director for the NYS Division of Budget where he oversaw the budgets of approximately 125 state agencies and authorities in the areas of economic development, human services, housing, energy, environment, education, arts, agriculture, parks, mental hygiene, developmental disabilities, addiction services and public protection. He holds a Bachelor of Arts degree from State University of New York at Plattsburgh and a Master's degree in Public Administration from the Rockefeller College of the University at Albany.



Kimberly A. Ellis
Chief Financial Officer and Treasurer

As Chief Financial Officer and Treasurer, Ms. Ellis is responsible for supervising DASNY's investment program, general accounting, accounts payable, accounts receivable, financial reporting functions and payroll, 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. She holds a Bachelor of Science degree in Accounting from the State University of New York at Buffalo.



R. Nadine Fontaine, Esq.
General Counsel and Ethics Officer

Ms. Fontaine is responsible for all legal services including legislation, litigation, contract matters, and the legal aspects of all DASNY financings. She 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 30 years of combined legal experience, including representation of fortune 500 companies in multi-district mass tort and product professional liability and commercial litigation matters in state and federal courts. Most recently, she 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
Managing Director of Public Finance and Portfolio Monitoring

Ms. Lee 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. She 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. 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 B.A. from the State University of New York at Albany.



Stephen D. Curro, P. E.
Managing Director of Construction

Mr. Curro is responsible for DASNY's construction groups, including design, project management, resource acquisition, contract administration, interior design, and engineering, as well as other technical services. He 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 B.S. 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.



Sara Potter Richards, Esq.
Managing Director of Executive Direction

Ms. Richards works with all Members of the Executive Management team to coordinate policy and operations across DASNY business lines. She is responsible for coordinating the work of the DASNY Board of Directors and overseeing the Grants Administration Unit and the Office of Environmental Affairs. Her DASNY career began in the Office of General Counsel and since then, she has held a variety of positions of increasing responsibility, most recently serving as Managing Senior Director of Governance and Administration. She holds a Bachelor of Science degree in Broadcast Journalism from Ithaca College and a Juris Doctor degree from Albany Law School.



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

Basic Financial Statements

March 31, 2024

(With Independent Auditors' Report Thereon)

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

March 31, 2024

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KPMG LLP
515 Broadway
Albany, NY 12207-2974

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Dormitory Authority of the State of New York (DASNY), a component unit of the State of New York, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise DASNY's basic financial statements for the year then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of DASNY as of March 31, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of DASNY's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DASNY's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering DASNY's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
June 18, 2024

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

Management's Discussion and Analysis

March 31, 2024

(Unaudited)

The following discussion and analysis of the Dormitory Authority of the State of New York's (DASNY) financial performance provides an overview of DASNY's activities as of and for the year ended March 31, 2024. 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 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. In 2011 NGHP Holding Corporation and in 2013 Atlantic Avenue Healthcare Property Holding Corporation were established as subsidiaries of DASNY in the form of public benefit corporations, as a result of borrower defaults under certain loan agreements and mortgages with DASNY.

DASNY is authorized pursuant to Section 1678 (31) of the Public Authorities Law to establish subsidiaries for the purpose of acting on behalf of itself or as agent, in performing one or more duties of DASNY in providing services under Public Officers Law section 1678 (30) on behalf of the Office of Cannabis Management, the Cannabis Control Board, and/or a private debt or equity fund created pursuant to Public Officers Law section 1678 (32). In 2022, the Social Equity Servicing Corporation (SESC) was established as a subsidiary of DASNY in the form of a public benefit corporation, whose purpose is to act, among other things, as agent to the New York Social Equity Cannabis Investment Fund (NYSECIF), a private debt fund. See Note 1 to the basic financial statements for further discussion about DASNY and its subsidiaries.

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

DASNY Lines of Business

DASNY's two primary lines of business are debt issuance and construction management, which are supported by DASNY's operating activities. Both lines of business derive the majority of their business from public clients (93% average over the last 5 years), the majority of which comes from our construction management activities (81% average over the last 5 years).

As a part of its operating activities, DASNY also devotes significant efforts to the administration of grants authorized by the State and payable to a variety of public and private grantees from proceeds of bonds issued by DASNY. DASNY has a staff of approximately 475 located in four main offices (Albany, New York City, Rochester and Buffalo) and at approximately 40 field sites across the State. DASNY provides services to

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

Management's Discussion and Analysis

March 31, 2024

(Unaudited)

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. Under DASNY's subsidiary, SESC, services are provided to a public-private partnership between the State and private investors, which includes construction management, property management and loan servicing activities.

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 public school districts 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, Board of Cooperative Education Services (BOCES), 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 onsite 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 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.

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

Management's Discussion and Analysis

March 31, 2024

(Unaudited)

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 may 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.

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

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
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March 31, 2024

(Unaudited)

DASNY continued its work on the Fashion Institute of Technology (FIT) new academic building. Substantial project completion is anticipated for Fall 2024.

DASNY completed work on the Lehman College – School of Nursing project which reached substantial completion in December 2023.

DASNY completed its work at SUNY New Paltz – Awosting Hall performing a gut renovation and addition of a fourth floor at the existing suite-style residence hall. The \$41.5 million project was substantially complete in October 2023 in time for occupancy for the Spring 2024 semester. DASNY has moved on to the final residence hall project in the New Paltz community – Monhonk Hall, which is a \$49 million project similar to Awosting Hall, with an added fourth floor and new roof – substantial completion is anticipated for Summer 2025.

DASNY continued work at the Western New York Children's Psychiatric Center which includes the renovation and addition of program space. The \$66.5 million project is advancing; however, the project has been delayed.

DASNY has begun work on the \$1.7 billion NYS Life Sciences Public Health Laboratory with the project entering the design phase. The project is the largest DASNY-managed project in DASNY's history and is forecasted to be complete in December 2030.

DASNY began construction on the \$450 million Mid-Hudson Forensic Replacement Hospital with an early bid package resulting in favorable results; the overall building package is expected to be bid in June 2024.

DASNY's debt issuance activity had a strong year, issuing approximately \$8 billion in debt. State institution related debt issuances were \$6 billion and is included in the basic financial statements. Conduit debt issuances were \$2 billion and is not included in the basic financial statements. Total outstanding bonds and notes balance for State institution related debt was approximately \$34 billion as of March 31, 2024. Total outstanding bonds and notes balance for conduit debt borrowings was approximately \$22 billion.

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.

In accordance with GASB Statement No. 91, *Conduit Debt Obligations*, DASNY does not report conduit debt in its basic financial statements. Pursuant to 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 (State Institutions) are not considered conduit debt. DASNY's basic financial statements are a compilation of approximately 1,000 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.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK
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Management's Discussion and Analysis

March 31, 2024

(Unaudited)

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 State institution 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 and right to use lease asset for its New York City office. Restricted Net Position remains in the accounts of each of the individual bond or note issues and accrues to the benefit of the respective client institutions. At final maturity, the restricted net position of an individual bond or note issue will be zero (\$0).
- **Statement of Revenues, Expenses, and Changes in Net Position** – This statement reflects DASNY's operating and nonoperating revenues and expenses for each year. The majority of DASNY's revenue and expense activity does not relate to operations; rather it relates to activity in the restricted accounts of the individual series of bonds and notes. In some years, revenues exceed expenses in restricted bond and note accounts. In other years, expenses exceed revenues in restricted bond and note accounts as accumulated revenues are utilized for various purposes. Restricted Net Position remains in each of the individual bond or note issues and accrues to the benefit of the respective client institutions.
- **Statement of Cash Flows** – The statement of cash flows is presented using the direct method of reporting which reflects cash flows from operating, noncapital financing, capital financing, and investing activities. Cash collections and payments are reflected in this statement to arrive at the net increase or decrease in cash for the fiscal year. The statement also includes a reconciliation between operating gain or loss per the Statement of Revenues, Expenses, and Changes in Net Position to net cash from operating activities per the Statement of Cash Flows.

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Management's Discussion and Analysis

March 31, 2024

(Unaudited)

Discussion of DASNY Lines of Business Activities

DASNY Operating Activities

DASNY's internal operating expenses totaled approximately \$89 million and \$83 million during 2024 and 2023, respectively, of which 5% and 6% were allocable to private institutions, while 95% and 94% were allocable to public programs.

DASNY's personal service expenses totaled approximately \$79 million during 2024 and \$73 million during 2023, of which 82% and 83%, respectively, were associated with Construction Management activities.

Debt Issuance Activities

Bonds and Notes Issued

As the chart on the following page illustrates, DASNY's Debt Issuance activity includes new money, refundings and refinancings. During 2024, approximately 54% or \$3.3 billion of debt issued on behalf of State institutions was for new money issuances. DASNY did not issue any State institution debt in 2023. Instead, the issuance activity consisted of conduit debt borrowings for programs on behalf of private institutions and certain municipal clients.

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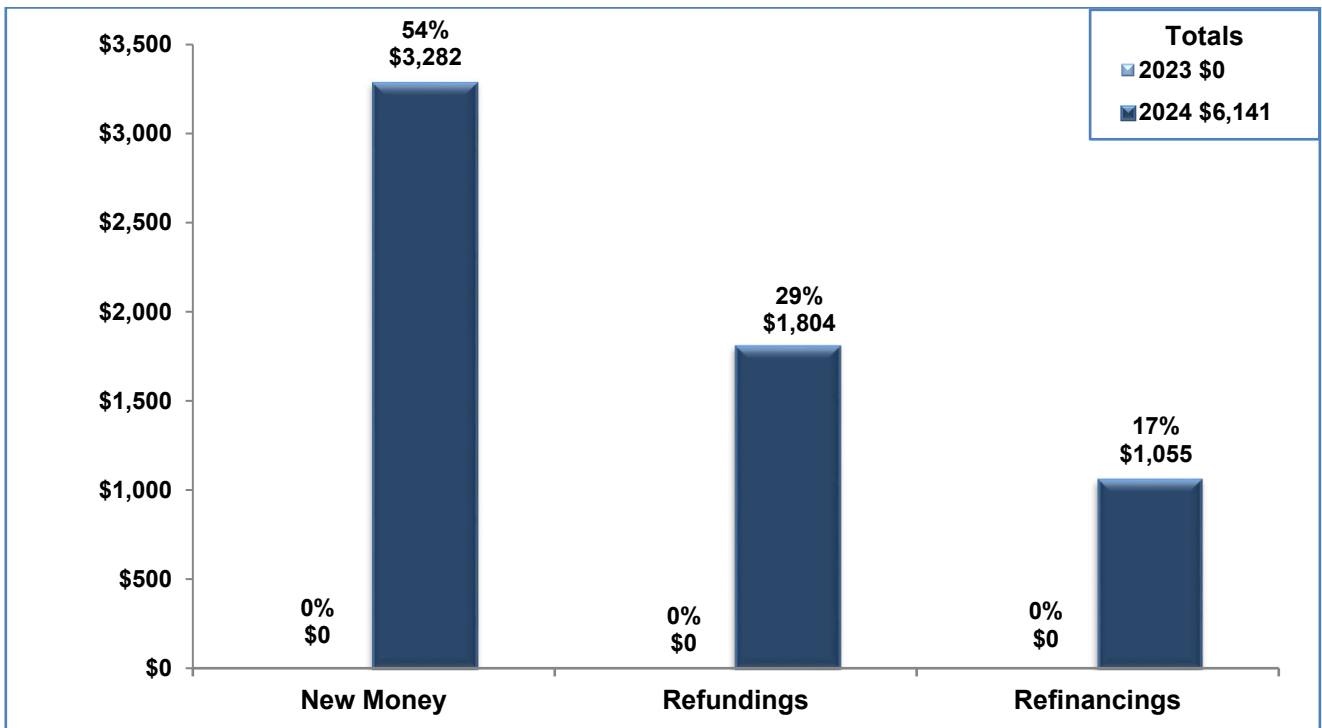
Management's Discussion and Analysis

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

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

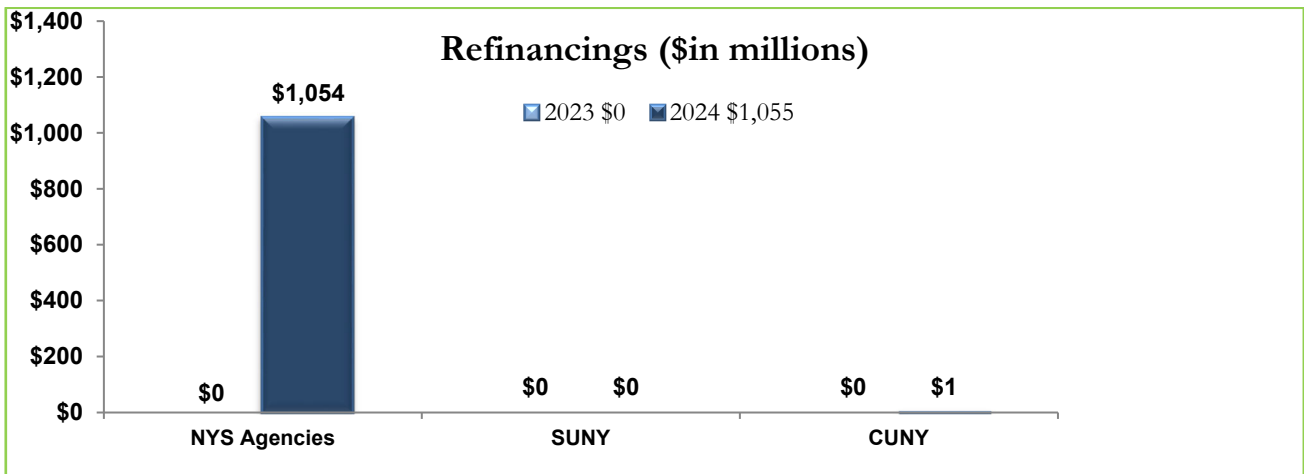
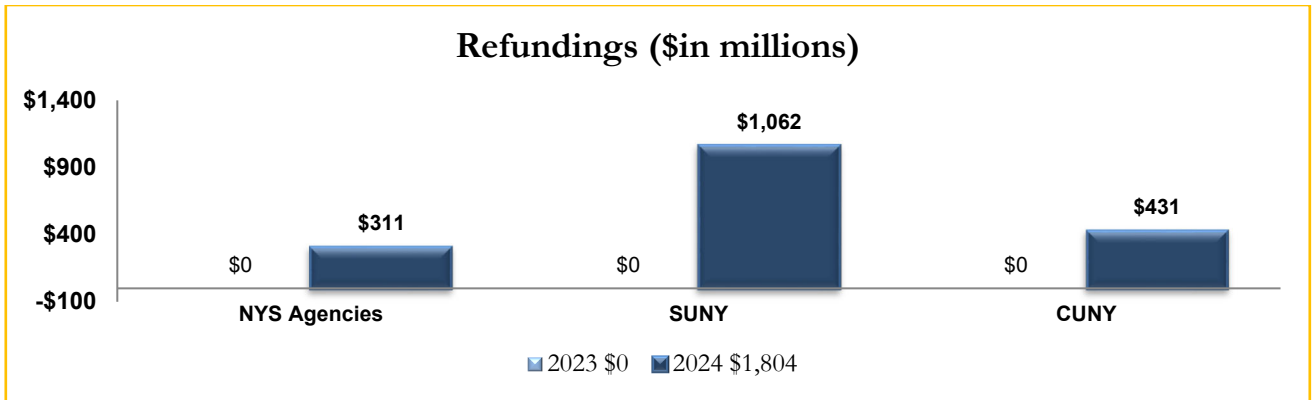
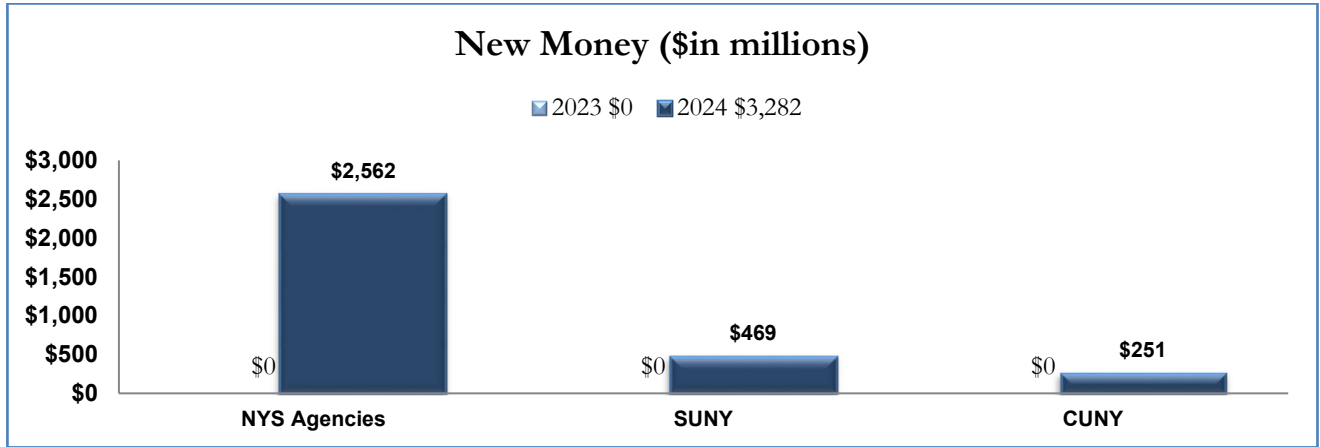


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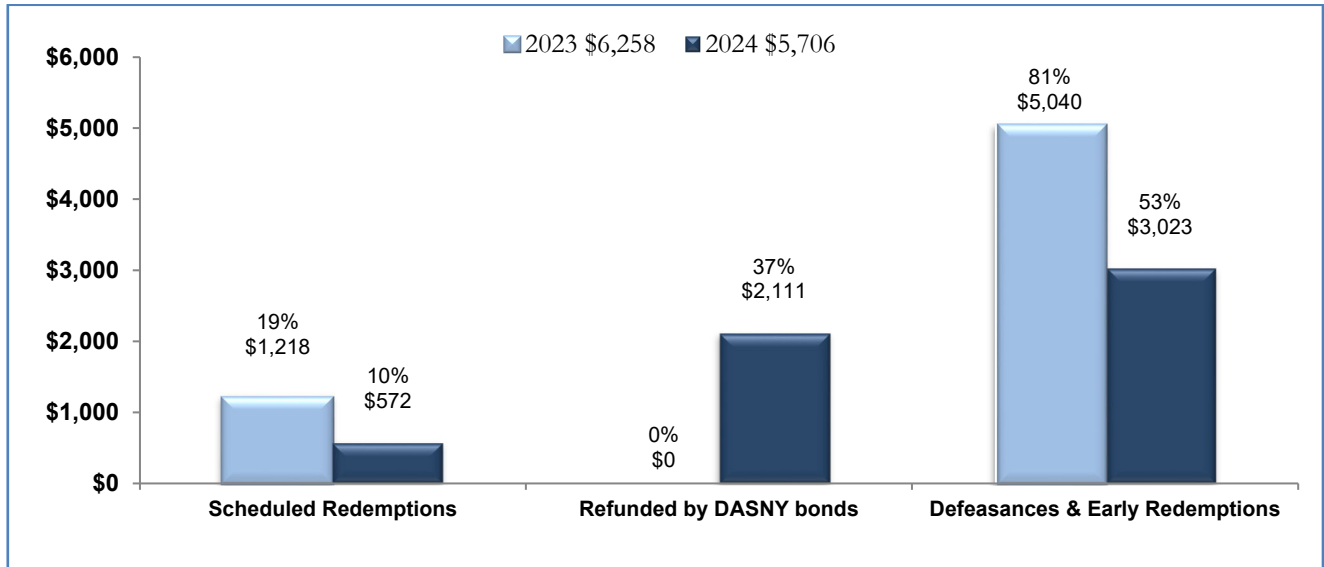
March 31, 2024

(Unaudited)

Bonds and Notes Retired

Bond retirements were \$552 million lower in 2024, primarily due to a reduced level of defeasances and early redemptions, offset by increased refunding from prior year activity. As shown in the charts below, defeasance and early redemption of DASNY bonds contributed approximately 53% of DASNY's bond retirement activity in 2024, compared with 81% in the prior year driven by NYS agencies. Refundings of State institution DASNY bonds contributed approximately 37% of DASNY's bond retirement activity, more than half of which were for SUNY.

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

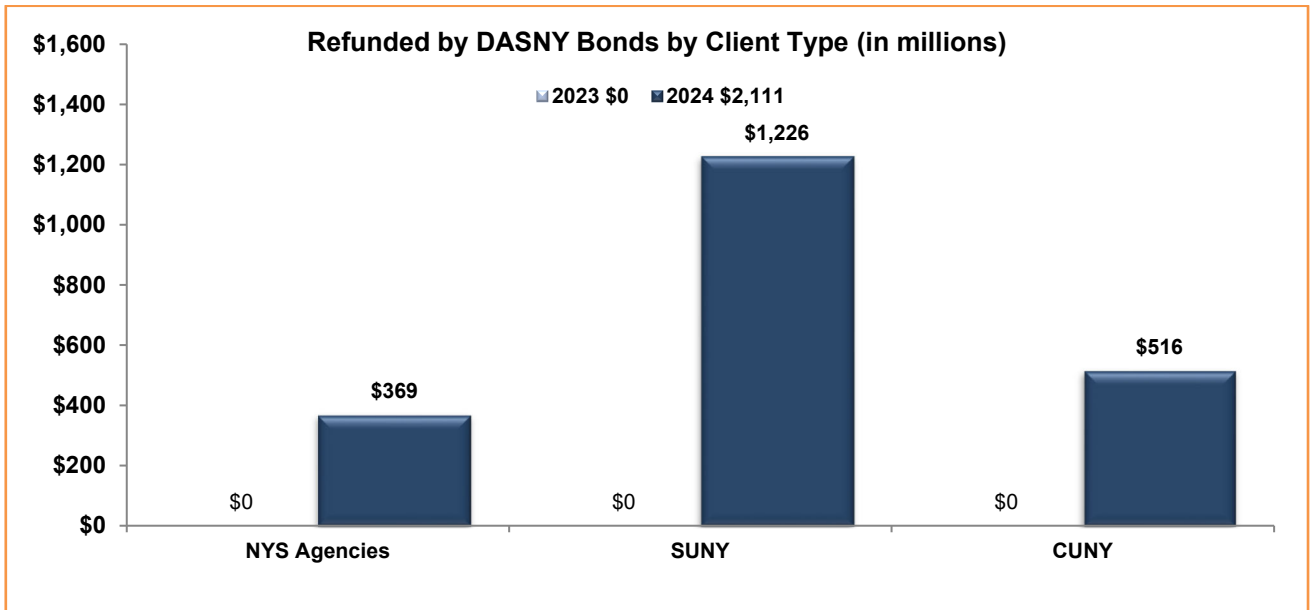
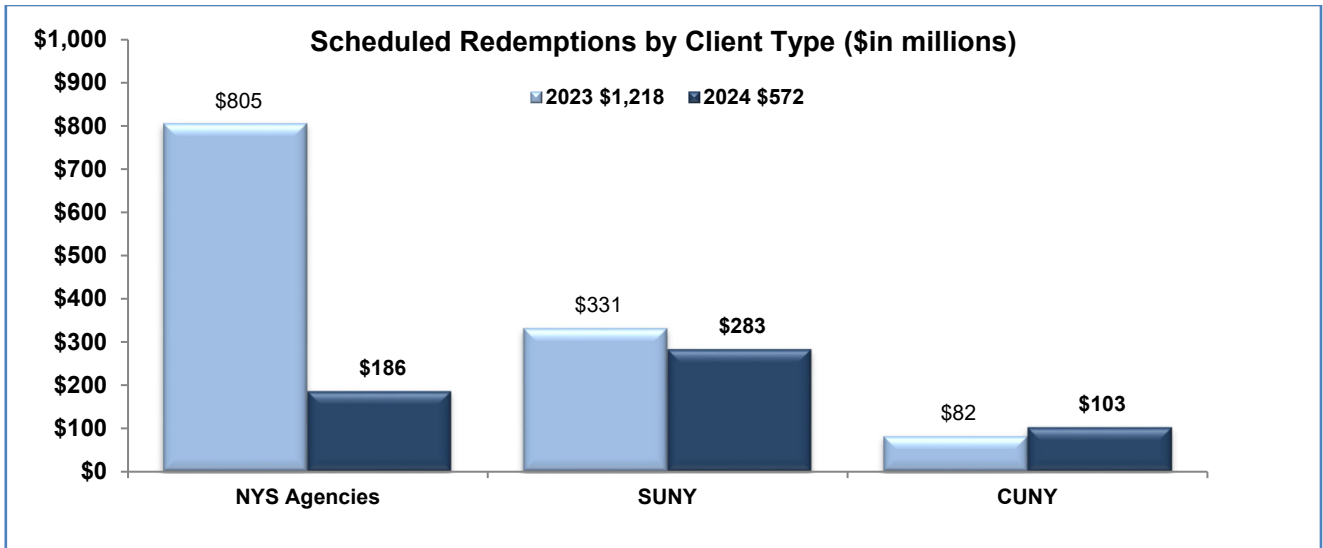
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refund prior bonds. Generally, the amount of refunding debt issued by DASNY is less than the amount of bonds refunded by DASNY.

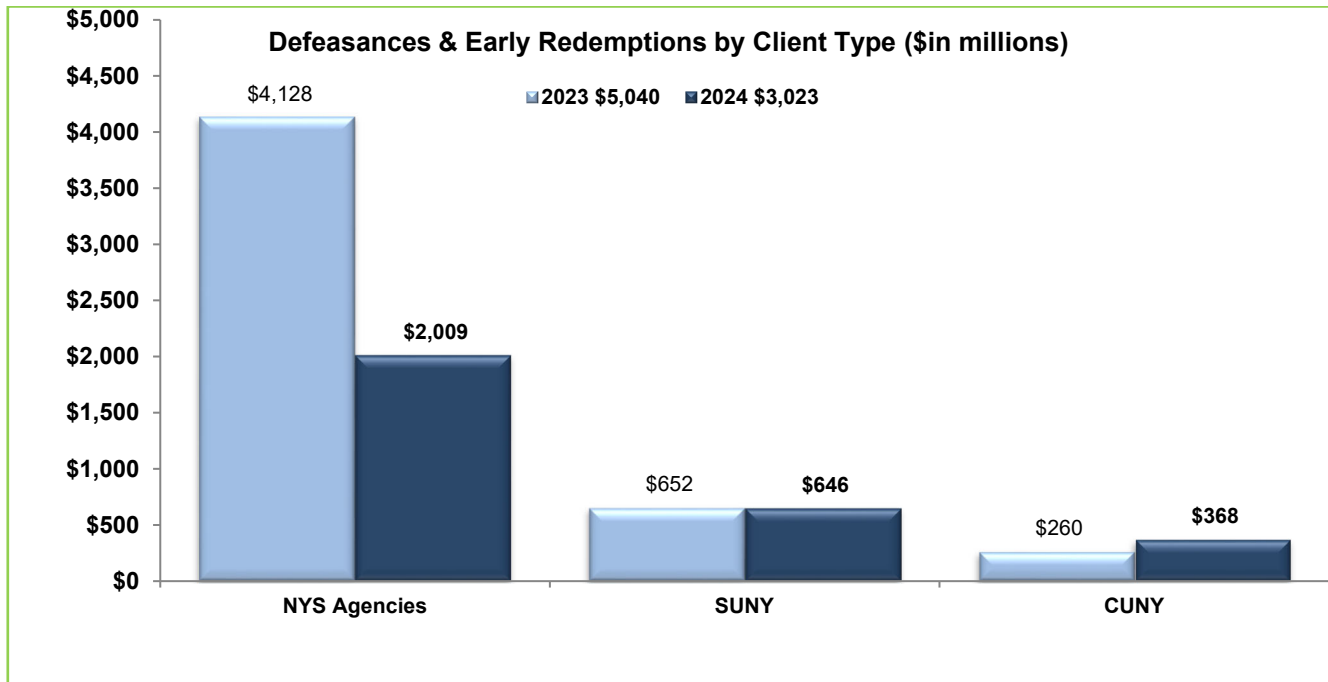


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Bonds and Notes Outstanding

As shown on the following page, nearly two-thirds of DASNY's outstanding bonds and notes are State institutions, with nearly 90% of that portion related to NYS agencies and SUNY. During 2024, the outstanding balance increased \$1.4 billion (2%). (See note 7 to the basic financial statements for more detailed information.)

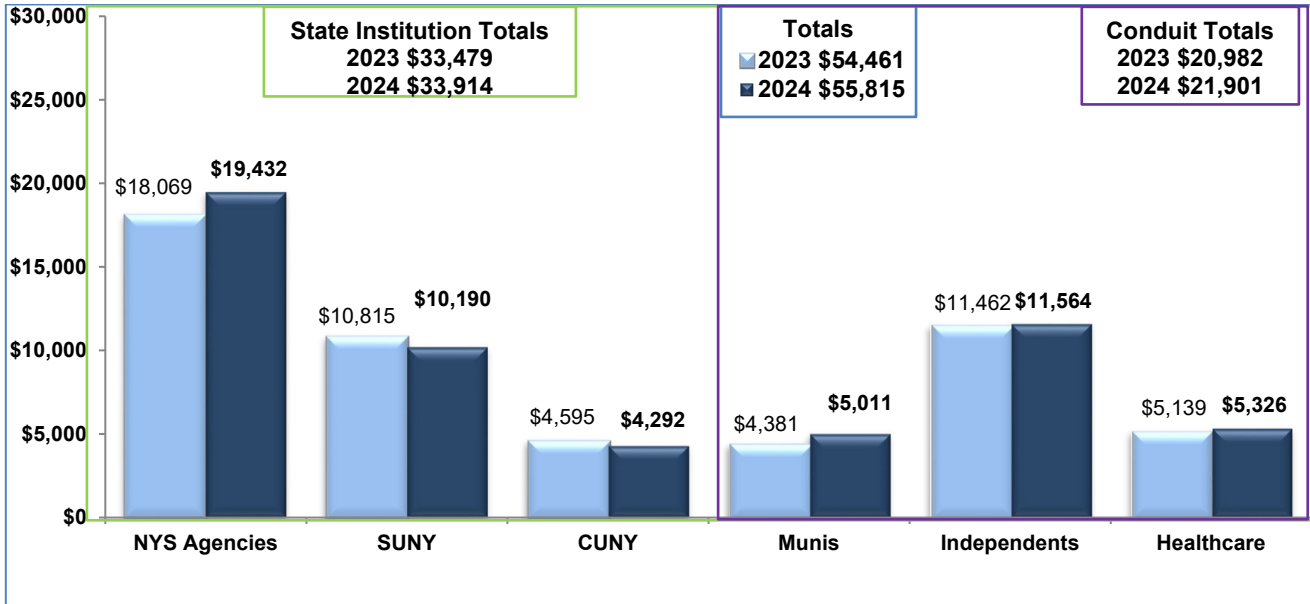
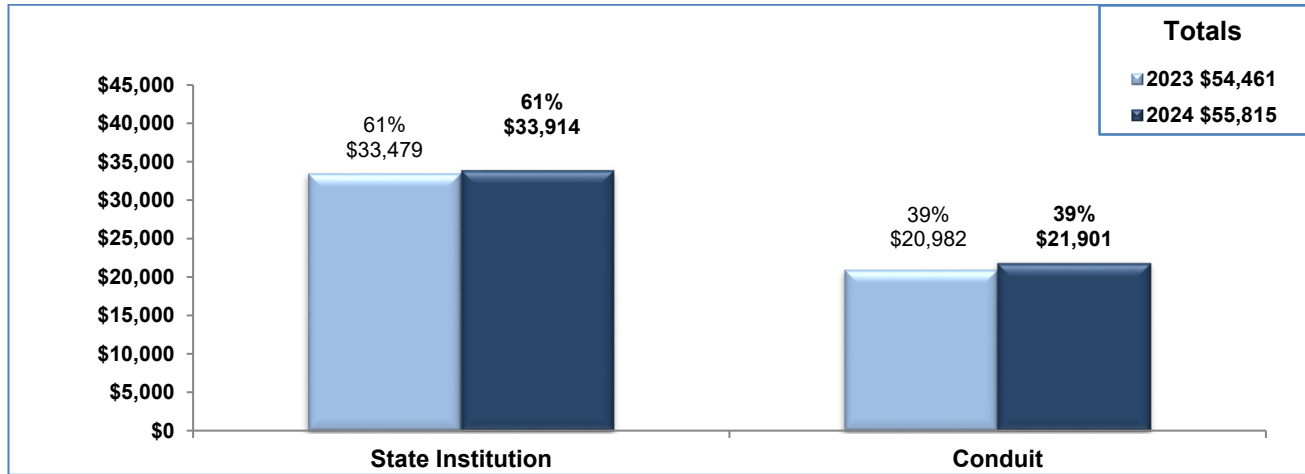
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Bonds and Notes Outstanding by Program as of March 31
(\$ in millions)



The following three charts show the roll forward of Bonds and Notes Outstanding as of March 31, 2023 and March 31, 2024. Net New Money is the net balance of New Money and Scheduled Redemptions, Net Refundings is the net balance of Refundings and Refunded by DASNY bonds, and Net Refinancings is the net balance of Refinancings and Defeasances & Early Redemptions.

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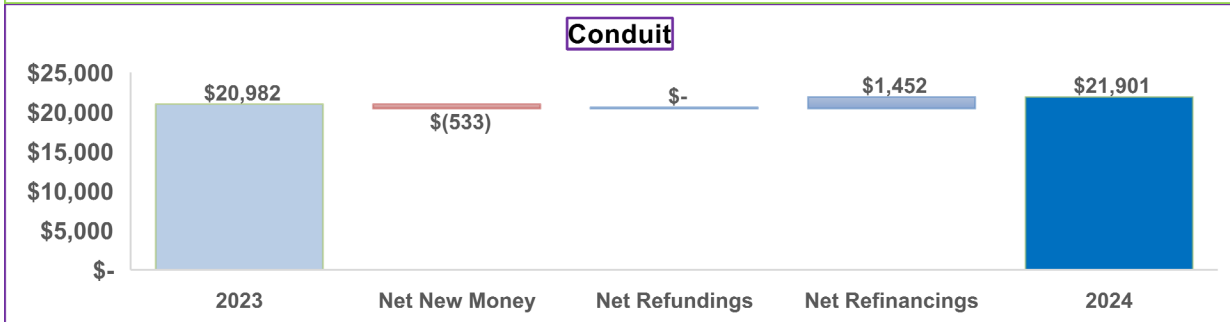
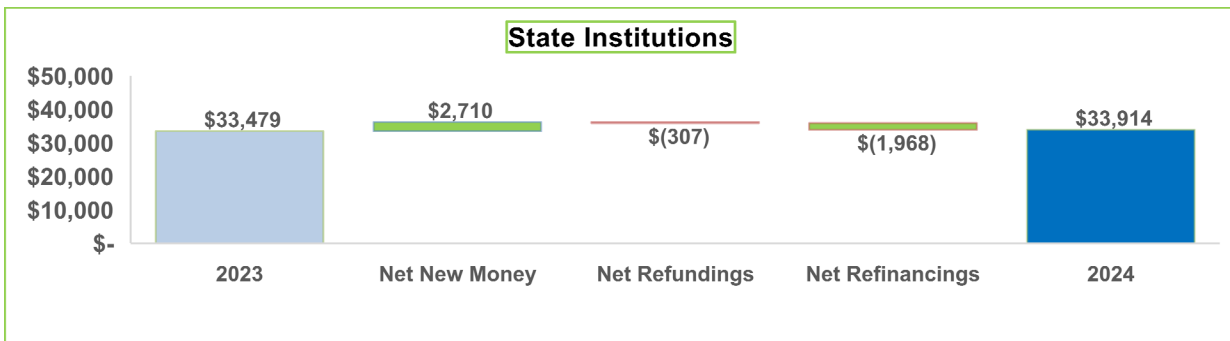
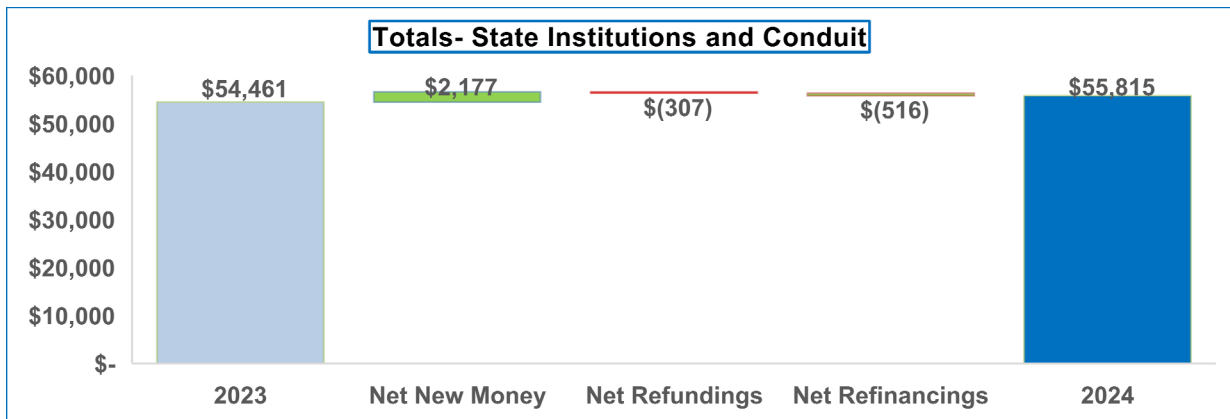
Management's Discussion and Analysis

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(Unaudited)

As shown below, the increase in Bonds and Notes Outstanding as of March 31, 2024, was due primarily to the increase of Net New Money from State institution debt. State institution debt accounted for approximately one third of 2024's increase in outstanding debt, with the remaining two-thirds due to the increase in conduit debt outstanding.

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



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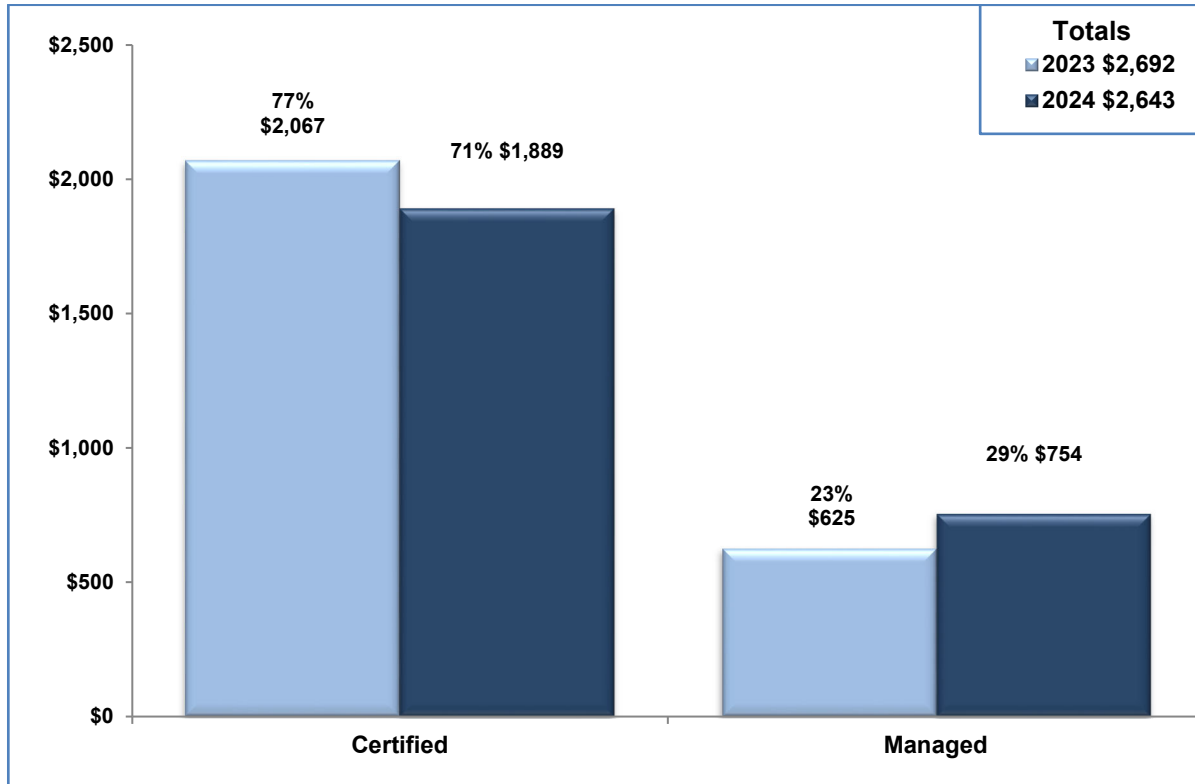
March 31, 2024

(Unaudited)

Construction Management Activities

As described in the Background section, DASNY's Construction Management activities consist of two types of disbursements – reimbursements to clients for projects they manage internally (Certified Construction Disbursements) and vendor payments for projects DASNY manages (DASNY-Managed Projects). As shown below, the majority (71% in 2024) come from reimbursements to clients for their internally managed projects. From a customer perspective, DASNY's Construction Management activities are concentrated almost all with its public clients. During 2024, decreased requests for reimbursement of approximately \$178 million drove the overall decrease in activity between 2023 and 2024. This decrease combined with a \$129 million increase in vendor payments for projects DASNY manages resulted in the 2% decrease in activity between 2023 and 2024.

Construction and Loan Disbursements* (\$in millions)



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

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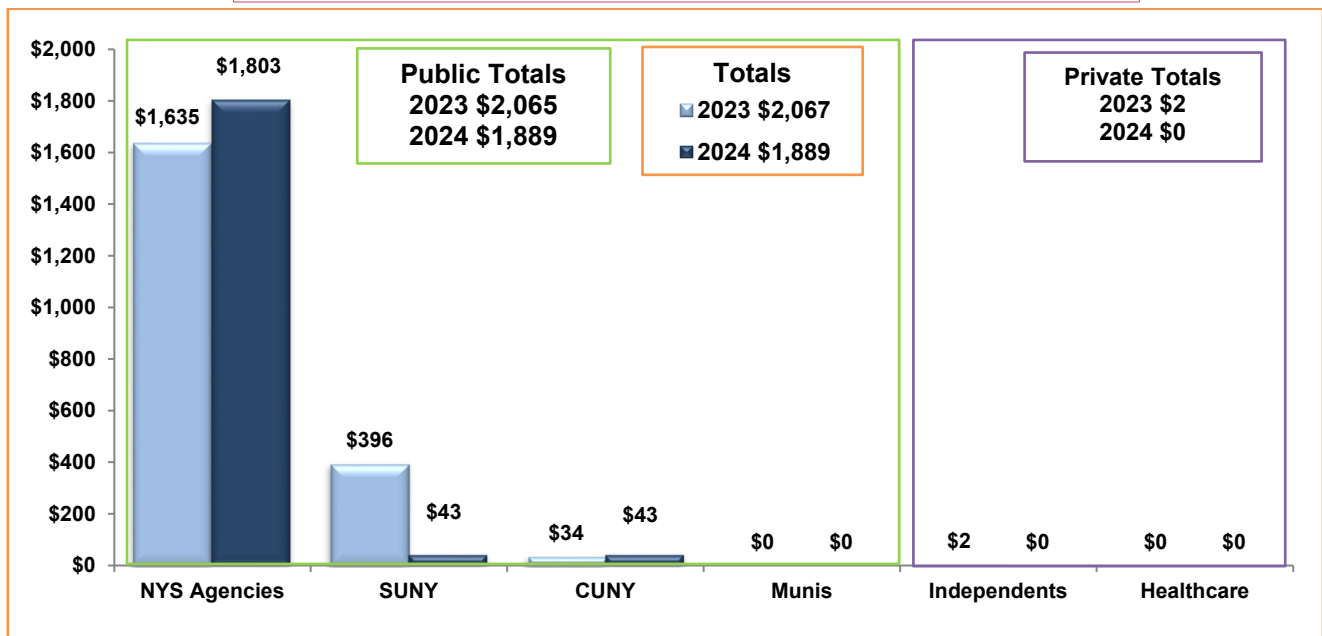
March 31, 2024

(Unaudited)

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 three quarters of DASNY's Construction Management activities coming from NYS Agencies.

In 2024 and 2023, Certified Construction Disbursements for NYS Agencies and SUNY programs totaled \$1.8 billion and 2.0 billion, respectively, accounting for approximately 98% of the Certified Disbursements in each year and over half of each year's total construction disbursements.

Certified Construction Disbursements by Program (\$in millions)



While the DASNY-Managed Projects represent only 29% 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 2024, construction disbursements for DASNY-Managed Projects increased \$129 million or 21% primarily due to increased project activity in the NYS Agencies program.

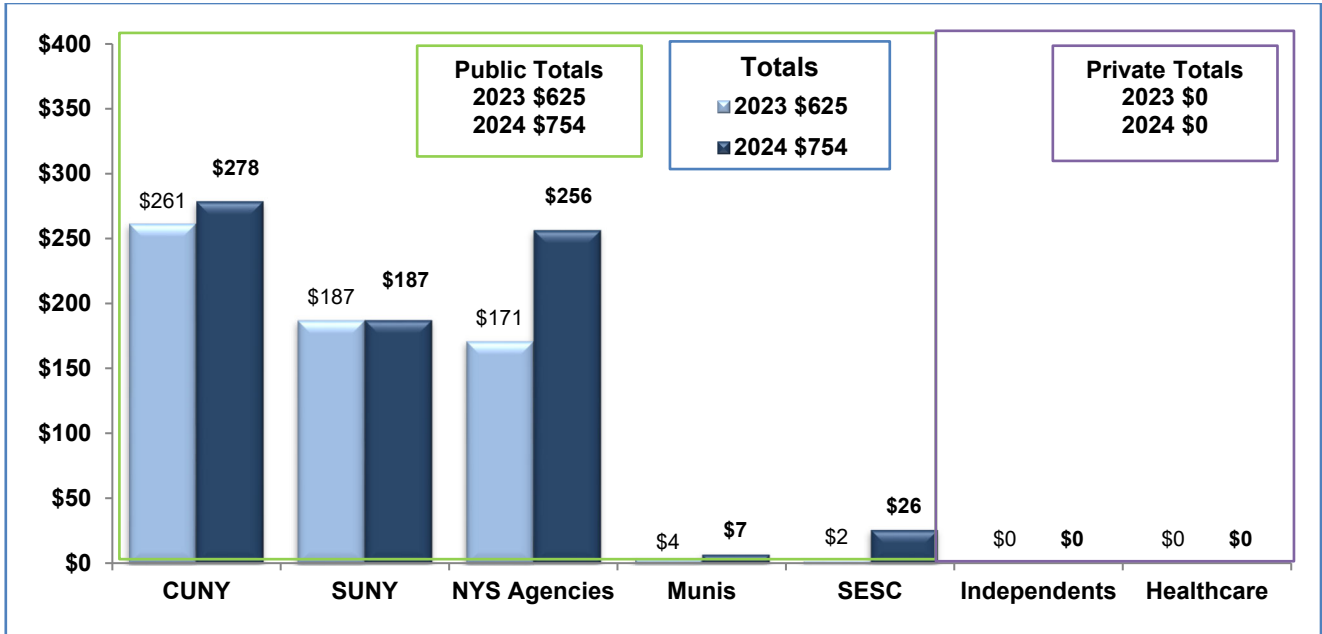
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Construction Disbursements for DASNY – Managed Projects by Program (\$in millions)



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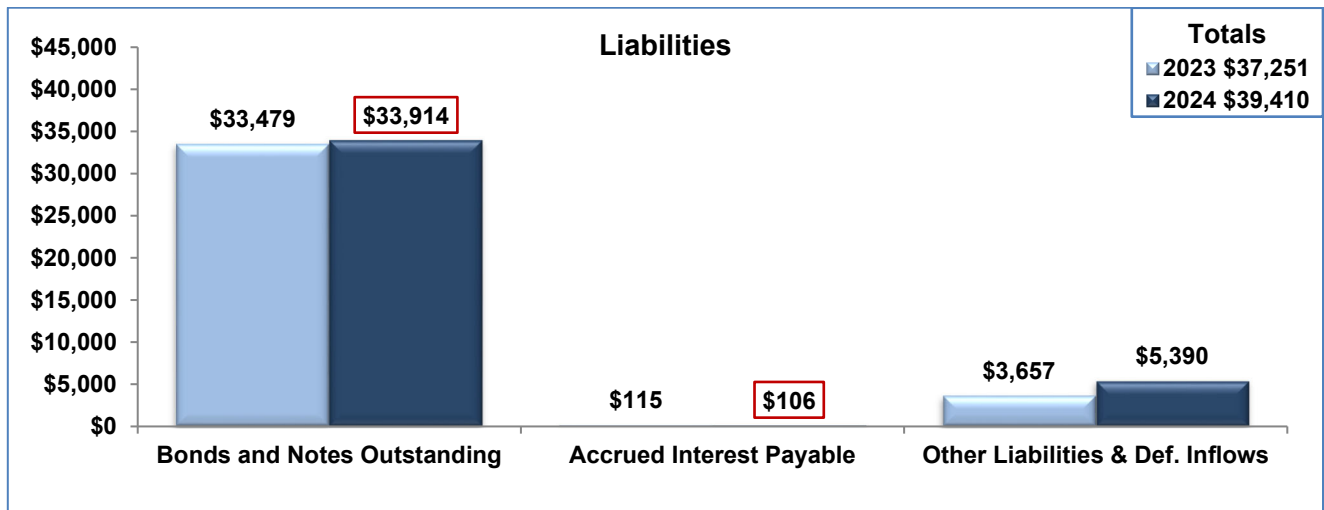
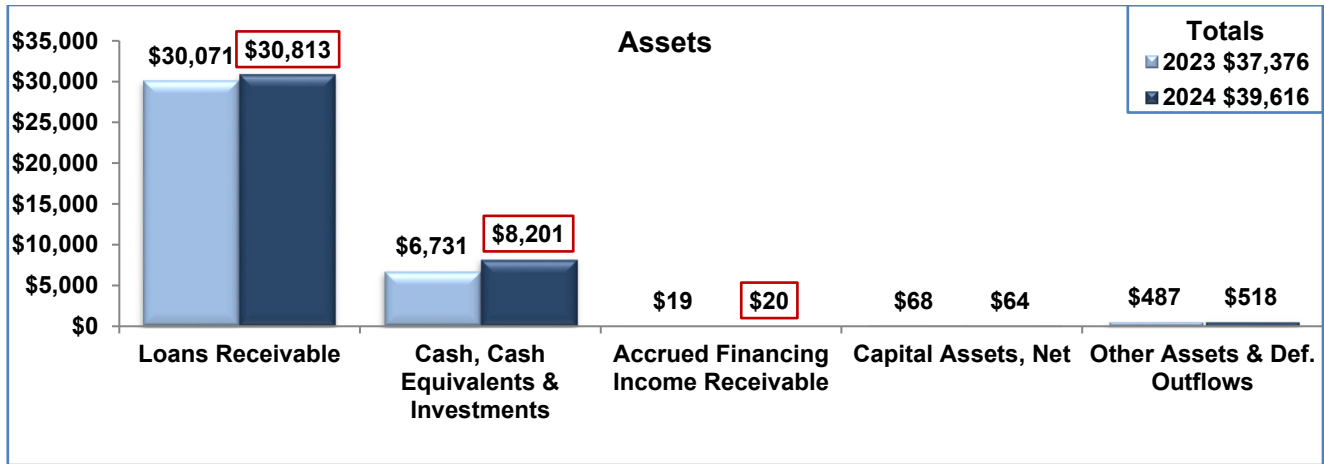
(Unaudited)

Financial Analysis

Statement of Net Position

As shown by the red boxes in the charts below, and as described in the Background section, DASNY's State institution 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 State institution debt) and Liabilities and almost three-quarters of the Net Position balances.

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

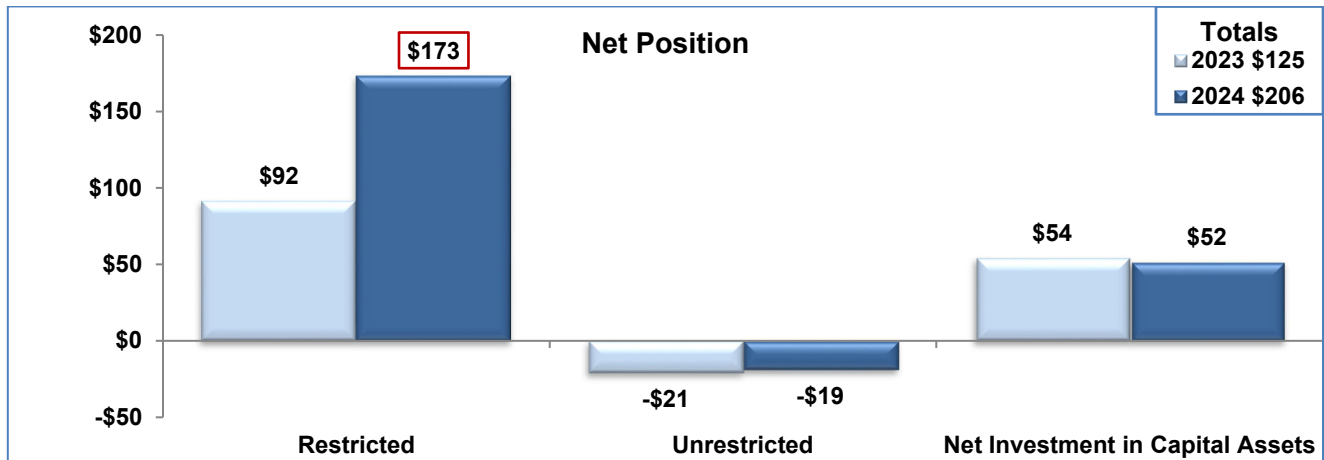


DORMITORY AUTHORITY OF THE STATE OF NEW YORK
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Management's Discussion and Analysis

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(Unaudited)



Assets and Deferred Outflows of Resources

DASNY's assets are comprised primarily of (1) 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, those of its subsidiary Atlantic Avenue Holding Corporation, and its right-to-use lease asset related to its New York City office and (3) Other Assets.

Loans Receivable represents accumulated construction costs for each project, net of principal repayments from State institutions, State institution 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 loans receivable, project contributions and income on investments in construction accounts. (See note 4 to the financial statements for more detailed information.)

Cash, Cash Equivalents and Investments primarily represent monies held for construction, reserves, or for payment of debt service on outstanding bonds and notes. Such monies are held in trust by a trustee bank for the benefit of bondholders. DASNY generally records investments at fair value. Fluctuations result primarily from differences between the timing of receipt of proceeds from new money bond issues and debt service prepayments and the disbursement of those proceeds for construction, payment of debt service on outstanding bonds and notes and other activities. The balance increased approximately \$1.5 billion or 22% during 2024 primarily due to the prepayment of debt service by the State at the end of the fiscal year and increased new money bond issuance activity.

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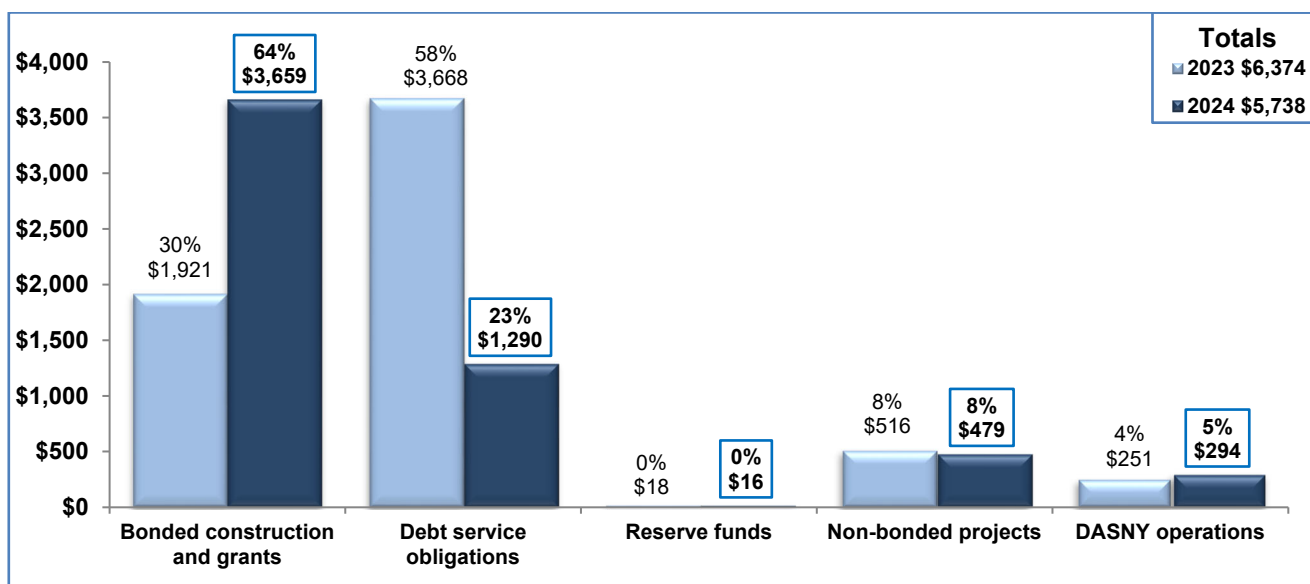
Management's Discussion and Analysis

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(Unaudited)

As highlighted in the chart below, DASNY's investment portfolio consists primarily of (over 85%) 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 decreased by approximately \$640 million (10%) during 2024 primarily due to increased holdings in money market mutual funds, a component of Cash and Cash Equivalents, for the prepayment of debt service obligations by the State, offset by new money bond issuance activity net of disbursements for construction projects and grant programs.

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



* An additional \$2.4 billion and \$324 million of money market funds as of March 31, 2024 and 2023, 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 State institutions since the last loan repayment date through DASNY's fiscal year end. Fluctuations result from accrued interest payable on new bond issues and changes in the interest rate environment.

Capital assets represent the capital assets of a DASNY subsidiary (Atlantic Avenue Holding Corporation), DASNY's Albany headquarters building, and a right-to-use lease asset primarily related to DASNY's New York City office. 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 State institutions is recorded on the Statement of Net Position as a component of Loans Receivable. (See note 5 to the basic financial statements for more detailed information.)

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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.

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 lease receivables held by DASNY as lessor, postemployment benefits, and unearned fees. The balance increased approximately \$1.7 billion or 47% primarily due to a \$1.7 billion increase in Due to New York State for amounts advanced from the State's short term investment pool awaiting reimbursement from bond or note proceeds and a \$263 million increase in Unearned financing income due to prepayment of debt service; which was offset by a \$345 million decrease in Accounts payable and accrued expenses and a \$60 million decrease in Deferred inflows of resources primarily related to an increase in the net pension liability and a smaller improvement in the discount rate used to determine the OPEB liability.

Net Position

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

Restricted Net Position relates to activity in the bonds and note accounts and is the largest component of DASNY's Net Position, accounting for more than two-thirds of the total. The balance increased \$81 million during 2024 primarily due to prepayments received from the State.

Unrestricted Net Position (Deficit) relates to DASNY's operating activities and was negative due to the recording of a \$38.2 million lease liability primarily related to DASNY's New York City office. A corresponding right-to-use lease asset or subscription IT is recorded as a Net Investment in Capital Assets. Other 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 and a right-to-use lease asset related to DASNY's New York City office.

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(Unaudited)

Statement of Net Position – 2024 Activity

DASNY's Statement of Net Position increased \$81 million primarily due to the changes in Restricted Net Position described above. Increases in assets and liabilities (\$2.2 billion each) were driven by the net increase in bonds outstanding (issuances of \$6.1 billion less retirements of \$5.7 billion), related Loans Receivable, and Cash and Cash Equivalents.

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 State institutions
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 Loans Receivable since the earnings are generally used for project costs; amounts also reflect unrealized gains and losses as a result of market value fluctuations.
3. *Other Revenues* – primarily income on investments transferred from construction accounts and contributions of cash and investments.
4. *Interest on Bonds and Notes* – interest payments to bondholders
5. *Other Expenses* – primarily transfers of accumulated Restricted Net Position and current year revenues to escrow in connection with refundings, amounts returned to institutions, reductions of 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

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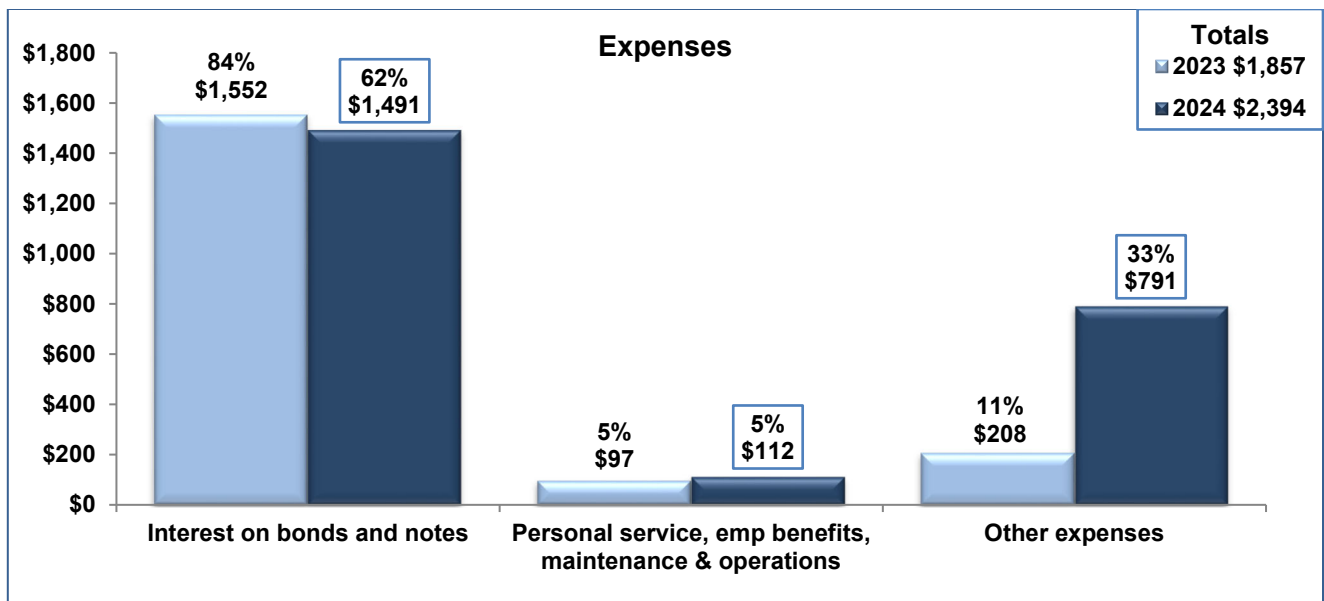
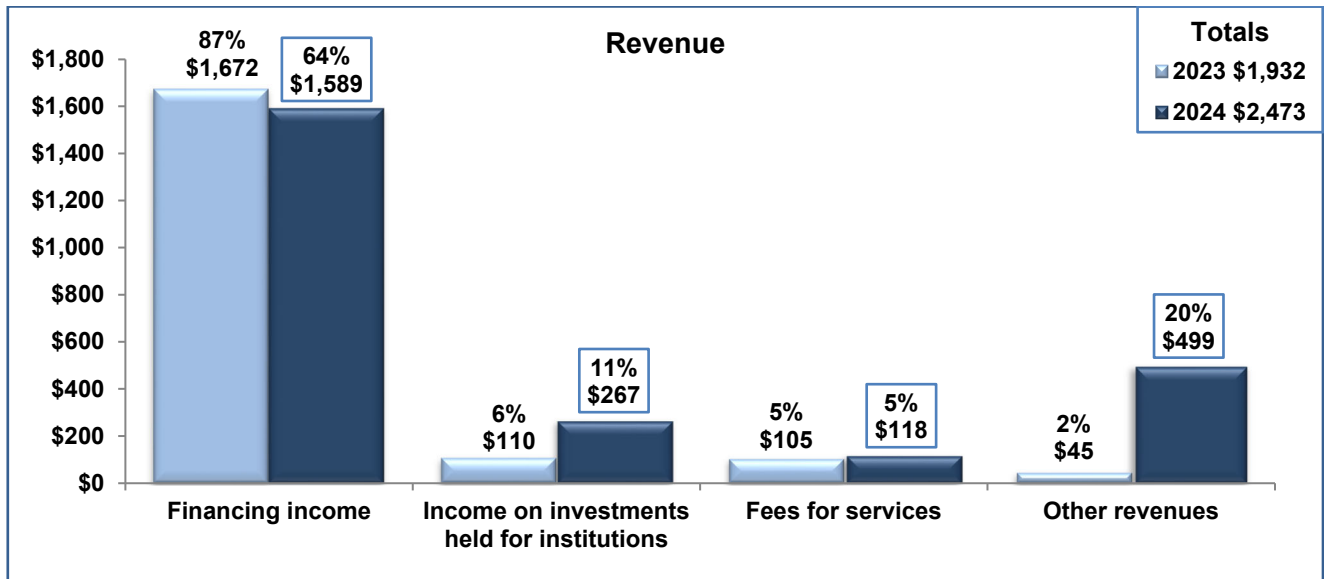
Management's Discussion and Analysis

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7. *Costs of Operations* (Personal Service, Employee Benefits, Maintenance and Operations) – primarily for employee service and related benefits and taxes

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



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Management's Discussion and Analysis

March 31, 2024

(Unaudited)

Statement of Revenues, Expenses, and Changes in Net Position – 2024 Activity

Financing Income decreased during 2024 due to the use of prepayments received by the State to defease bonds rather than pay interest. Interest on Bonds and Notes remained relatively stable during 2024, with a slight decrease primarily due to timing of new bond issuance activity concentrated at the end of the fiscal year, with no bond issuance activity in the prior year.

Income on Investments held for institutions increased \$157 million, or 143% primarily due to higher interest rates.

Fees for Services of \$118 million increased \$13 million primarily due to an increase in construction management activity.

Other Revenues increased \$454 million, or 1009% due to an increase of \$6 million in Contributions of Cash and Investments and a \$447 million increase in Other Revenue primarily related to Assets received from other issues, prepayments received from the State to defease bonds, and reduced allocations associated with Postemployment benefits Other Than Pensions (OPEB) for operating funds.

Personal Service and Employee Benefits, increased by \$10 million (16%) during 2024, primarily due to higher pension expense due to changes in expected earnings on pension plan investments and retroactive pay increases resulting from the conclusion of contract negotiations with DASNY's unions.

Maintenance and Operations Expenses increased \$5 million (16%) in 2024, primarily due to higher property and general liability insurance premiums.

Other Expenses increased \$583 million, or 280% primarily due to an increase of \$121 million in Reduction of loans receivable due to increased refundings and redemption of bonds, a \$93 million increase in Transfers to escrow due to increased refundings and defeasances, a \$339 million increase in Other Expenses primarily related to an increase in assets transferred to other issues related to prepayment and defeasance activity, increased Arbitrage expenses and loss on early redemption of bonds, and a \$30 million increase in Amounts returned to institutions.

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(Unaudited)

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.

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Statement of Net Position

March 31, 2024

(in thousands)

Assets and Deferred Outflows of Resources

Current assets:	
Cash and cash equivalents (note 3)	\$ 2,463,298
Investments (note 3)	1,961,510
Loans receivable, net (note 4)	187,795
Project funds receivable	94,034
Accrued financing income receivable	20,329
Accrued interest receivable on investments	2,705
Other receivables (note 2g)	<u>52,096</u>
Total current assets	4,781,767
Investments (note 3)	3,776,151
Loans receivable, net (note 4)	30,624,744
Project funds receivable	87,739
Other receivables (notes 2g and 12)	220,755
Capital assets, net (notes 5 and 8)	<u>64,229</u>
Total assets	39,555,385
Deferred outflows of resources (notes 2j, 11 and 12)	<u>61,019</u>
Total assets and deferred outflows of resources	<u>\$ 39,616,404</u>

Liabilities and Deferred Inflows of Resources

Current liabilities:	
Accounts payable and accrued expenses	\$ 171,725
Bonds and notes outstanding (notes 6 and 7)	357,420
Accrued interest payable	106,309
Unearned financing income	1,144,134
Amounts held for institutions (note 6)	388,987
Due to New York State (note 6)	2,716,693
Current portion of other long-term liabilities (notes 6 and 8)	7,245
Unearned fees for services	<u>85,002</u>
Total current liabilities	4,977,515
Bonds and notes outstanding (notes 6 and 7)	33,556,197
Amounts held for institutions (note 6)	476,350
Net pension liability (note 11)	28,258
Other long-term liabilities (notes 6 and 8)	<u>287,181</u>
Total liabilities	39,325,501
Deferred inflows of resources (notes 2j, 8, 11 and 12)	<u>84,850</u>
Total liabilities and deferred inflows of resources	<u>\$ 39,410,351</u>

Net Position (Deficit)

Net investment in capital assets	\$ 51,701
Restricted	173,234
Unrestricted (note 13)	<u>(18,882)</u>
Total net position	<u>\$ 206,053</u>

See accompanying notes to basic financial statements.

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Statement of Revenues, Expenses, and Changes in Net Position

Year ended March 31, 2024

(in thousands)

Operating revenues:	
Financing income	\$ 1,589,201
Income on investments held for institutions	267,340
Fees for services	118,261
Contributions of cash and investments	6,813
Other	<u>491,615</u>
Total operating revenues	<u>2,473,230</u>
Operating expenses:	
Interest on bonds and notes	1,491,409
Amounts returned to institutions	33,820
Reduction of loans receivable due to redemption of bonds	121,710
Personal service and employee benefits	75,209
Maintenance and operations	37,266
Transfers to escrow	287,097
Other	<u>347,686</u>
Total operating expenses	<u>2,394,197</u>
Operating income	79,033
Nonoperating revenues:	
Income on investments held for DASNY	<u>2,322</u>
Increase in net position	81,355
Net position, beginning of year	<u>124,698</u>
Net position, end of year	<u><u>\$ 206,053</u></u>

See accompanying notes to basic financial statements.

DORMITORY AUTHORITY OF THE STATE OF NEW YORK

(A Component Unit of the State of New York)

Statement of Cash Flows

Year ended March 31, 2024

(in thousands)

Cash flows from operating activities:	
Fees for services	\$ 136,887
Amounts received from institutions	6,656
Project funds received	975,684
Dormitory rent receipts	584,477
Permit and patient income receipts	1,994,244
Special purpose healthcare loan receipts	15,933
Other receipts	43,939
Personal service and employee benefits	(82,028)
Maintenance and operations	(34,118)
Permit and patient income transferred to New York State	(2,056,222)
Project funds disbursed	(982,779)
Dormitory rent disbursements	(554,201)
Amounts returned to institutions	(503)
Special purpose healthcare loan disbursements	(10,000)
Other disbursements	(27,971)
Net cash provided by operating activities	<u>9,998</u>
Cash flows from noncapital financing activities:	
Proceeds from the issuance of bonds and notes	6,794,318
Amounts transferred to escrow to defease debt	(3,383,182)
Principal repayments of bonds and notes	(2,078,945)
Interest paid on bonds and notes	(1,500,781)
Net cash used in noncapital financing activities	<u>(168,590)</u>
Cash flows from capital financing activities:	
Principal paid on leases and IT subscriptions	(2,820)
Interest paid on leases and IT subscriptions	(1,084)
Acquisition of property and equipment	(847)
Net cash used in capital financing activities	<u>(4,751)</u>
Cash flows from investing activities:	
Purchases of investments	(25,191,185)
Proceeds from sales and maturities of investments	26,026,331
Income on investments	33,262
Construction, loan, and other disbursements	(3,058,332)
Principal receipts on loans receivable	3,676,400
Financing income	783,042
Net cash provided by investing activities	<u>2,269,518</u>
Net increase in cash and cash equivalents	2,106,175
Cash and cash equivalents, beginning of year	<u>357,123</u>
Cash and cash equivalents, end of year	<u>\$ 2,463,298</u>

See accompanying notes to basic financial statements.

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Statement of Cash Flows

Year ended March 31, 2024

(in thousands)

Operating income	\$	79,033
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization expense		5,041
Interest on bonds and notes		1,491,409
Income on investments held for institutions		(267,340)
Financing income		(1,589,201)
Other income		(152,570)
Interest on leases and IT subscriptions		1,084
Reduction of leases and loans receivable due to redemption of bonds		121,710
Investments returned to institutions		9,137
Amounts transferred to escrow to defease debt		287,097
Other expenses		27,308
Change in assets and liabilities:		
Increase in leases and loans receivable		(50,574)
Decrease in deferred outflows of resources		18,708
Increase in project funds receivable		(35,969)
Decrease in other receivables		14,210
Increase in accounts payable and accrued expenses and other long-term liabilities, net of construction funds		67,725
Decrease in due to New York State		(54,170)
Increase in amounts held for institutions		82,476
Increase in unearned fees for services		14,829
Decrease in deferred inflows of resources		(59,945)
Total adjustments		<u>(69,035)</u>
Net cash provided by operating activities	\$	<u><u>9,998</u></u>

See accompanying notes to basic financial statements.

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Notes to Basic Financial Statements

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(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

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

On June 21, 2022, the Social Equity Servicing Corporation (SESC) was established as a subsidiary of DASNY in the form of a public benefit corporation, pursuant to Public Authorities Law section 1678(31). The purpose of SESC is to act on behalf of itself or as agent, in performing one or more of the duties of DASNY in providing services under Public Officers Law section 1678(30) on behalf of the Office of Cannabis Management, the Cannabis Control Board, and/or a private or debt or equity fund created pursuant to Public Officers Law section 1678(32). Those services include, but are not limited to entering into leases, subleases or other arrangements with regard to such property and acting in a manner consistent with the rights, obligations or responsibility of the owner, landlord or tenant of such property pursuant to such lease or sublease arrangements; furnishing construction and construction management services for qualified dispensaries; servicing non-recourse loan payments; furnishing property management services; and providing general operational services.

SESC is included in these basic financial statements as a blended component unit as DASNY's governing board serves as the governing board of SESC and DASNY management has operational responsibility for SESC.

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.

(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 1,000 separate self-balancing accounts, each related to either an individual series of outstanding bonds and notes or an individual operating account.

DASNY's primary operating revenue is financing income, representing interest on indebtedness, received from State institutions. DASNY also recognizes as operating revenue the income on investments held for State institutions, except interest earned on construction account investments. Income on investments in construction accounts is recorded as a reduction to 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 loans

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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 refunding 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, money market funds, and demand deposit U.S. Treasury State and Local Government Series Securities.

(d) Investments

Investments are recorded at fair value, other than certificates of deposit and the private debt fund, 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) Loans Receivable

Projects are financed primarily where payments are pledged to the trustee for the benefit of the bondholders, or other agreements, including service contracts and financing agreements with the State, 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 State 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.

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

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Interest paid from bond proceeds during the construction period, capitalized interest, is recorded as an increase to the receivables. There was no capitalized interest for the fiscal year ended March 31, 2024. Income earned on construction fund investments during the construction period is recorded as a reduction of the receivables. Construction fund investment income was approximately \$4.4 million for the fiscal year ended March 31, 2024.

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 State 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. 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, lease receivables where DASNY is the lessor, 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. Also included are non-interest bearing general debentures issued by New York Social Equity Cannabis Investment Fund, L.P. At March 31, 2024, DASNY recorded \$262 million as an allowance for uncollectible accounts primarily related to advances made to assist healthcare institutions which, for the most part, do not impact the Statement of Revenues, Expenses, and Changes in Net Position and for which there are no associated bonds.

(h) Capital Assets (excluding intangible right-to-use leases and subscription IT assets)

DASNY's capital assets (excluding intangible right-to-use lease and subscription IT 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

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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) Lease and Subscription Right-to-Use Assets and Liabilities

DASNY is a lessee for various noncancellable leases for office space and parking.

(i) Short-term Leases

For lease arrangements with a maximum possible term of 12 months or less at commencement, DASNY recognizes expense based on the provisions of the lease contract.

(ii) Lease arrangements other than short-term

For lease arrangements greater than 12 months, DASNY recognizes a lease or subscription IT liability, respectively, and an intangible right-to-use lease asset or subscription IT asset, respectively.

(iii) Measurement of Lease Amounts

At lease commencement, DASNY initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If DASNY is reasonably certain of exercising a purchase option contained in a lease, the lease asset will be amortized over the useful life of the underlying asset.

(iv) Measurement of Subscription IT Amounts

At subscription commencement, DASNY initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into *amortization expense* on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

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(v) *Key Estimates and Judgments*

Key estimates and judgments include how DASNY determines (1) the discount rate it uses to calculate the present value of the expected lease and subscription payments, (2) lease and subscription term, and (3) lease and subscription payments.

- DASNY generally uses the State's estimated incremental borrowing rate as the discount rate for leases and subscription IT arrangements unless the rate that the lessor/vendor charges is known. This incremental borrowing rate is based on the rate of interest the State would need to pay if it issued general obligation bonds to borrow an amount equal to the lease or subscription payments under similar terms at the commencement or remeasurement date.
- The lease or subscription term includes the noncancellable period of the lease or subscription IT arrangement, respectively, plus any additional periods covered by either DASNY or lessor unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both DASNY and the lessor/vendor have an option to terminate (or if both parties have to agree to extend) are excluded from the lease or subscription term.
- Payments are evaluated by DASNY to determine if they should be included in the measurement of the lease and subscription IT liabilities, including those payments that require a determination of whether they are reasonably certain of being made, (e.g. residual value guarantees, purchase options, payments for termination penalties, and other payments) and subscription IT arrangements (e.g. payments for termination penalties and other payments).

(vi) *Remeasurement of Lease and Subscription Amounts*

DASNY monitors changes in circumstances that may require remeasurement of a lease or subscription IT arrangement. When certain changes occur that are expected to significantly affect the amount of the lease or subscription IT liability, the liability is remeasured and a corresponding adjustment is made to the lease or subscription IT asset, respectively.

(vii) *Presentation in Statement of Net Position*

Lease and subscription IT assets are reported with capital assets and lease and subscription IT liabilities are reported with other long-term liabilities in the Statement of Net Position.

Lease receivables are reported as other receivables and related deferred inflows of resources in the Statement of Net Position.

(j) *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)

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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 leases receivables held by DASNY as lessor and pension. Deferred inflows of resources related to pension represent various changes in net pension liability (asset) as provided by ERS.

	Deferred outflows of resources	Deferred inflows of resources
OPEB activities	\$ 35,189	81,079
Pension activities	25,830	2,143
Leases	—	1,628
Total	\$ 61,019	84,850

(k) Amounts Held for Institutions

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

(l) 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, up to what DASNY holds in bond proceeds account, is included in Due to New York State. 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.

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(m) 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.

(n) 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 \$4.9 million were recorded at March 31, 2024 for the estimated obligation for vacation and compensatory leave and are included in Other Long Term Liabilities in the Statement of Net Position. Related receivables of \$4.6 million, representing the portion of the liability allocable to public clients, are included in Other Receivables in the Statement of Net Position at March 31, 2024. In addition, DASNY is holding the remaining portion of the liability in a reserve established by the Board.

(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 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 State institutions and bondholders. Monies remaining upon retirement of the bonds and notes are returned to the State 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

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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.

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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, 2024 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.

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Investments reported as current on the Statement of Net Position at March 31, 2024 include \$1.3 billion for debt service payments to be made in the fiscal year ended March 31, 2025 which is restricted by the underlying bond and note resolutions. Also included in investments reported as current at March 31, 2024 are investments held for DASNY operations, nonbond related capital projects and rehabilitation and renovation of projects totaling \$672 million.

Investment type	Amount (In thousands)	Percentage of total	Maturities (in years)		
			Less than 1	1-5	More than 5
Recorded at fair value:					
Obligations of the United States Government:					
U.S. Treasury notes/bonds	\$ 3,115,093	54.3 %	\$ 3,049,438	65,655	—
U.S. Treasury bills	1,248,179	21.8	1,248,179	—	—
	<u>4,363,272</u>	<u>76.1</u>	<u>4,297,617</u>	<u>65,655</u>	<u>—</u>
Federal agency, notes and debentures:					
Federal National Mortgage Association (FNMA)	\$ 140,065	2.4	105,153	34,912	—
Federal Home Loan Bank (FHLB)	1,182,343	20.6	1,182,343	—	—
Federal Home Loan Mortgage Corporation (FHLMC)	47,806	0.8	47,806	—	—
	<u>1,370,214</u>	<u>23.8</u>	<u>1,335,302</u>	<u>34,912</u>	<u>—</u>
Recorded at cost:					
Certificates of deposit	3,980	0.1	3,980	—	—
	<u>3,980</u>	<u>0.1</u>	<u>3,980</u>	<u>—</u>	<u>—</u>
Private debt fund:					
New York Social Equity Cannabis Investment Fund, L.P.	195	—	—	—	195
	<u>195</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>195</u>
Total	\$ 5,737,661	100.0 %	\$ 5,636,899	100,567	195

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, 2024, DASNY held approximately \$1.4 billion 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.

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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, 2024, DASNY held approximately \$2.4 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, 2024, DASNY had bank deposits of \$71 million of which \$666 thousand was 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, \$14 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, 2024, DASNY held more than 5% of its investments in Federal Home Loan Bank (FHLB) securities. These investments were 20.6% of the total investment portfolio, respectively, as of March 31, 2024.

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

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

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

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

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At March 31, 2024, DASNY had the following fair value measurements (in thousands):

	<u>March 31, 2024</u>	<u>Fair value measurement using</u>	
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
Investments by fair value level:			
U.S. Treasuries	\$ 4,363,272	550,029	3,813,243
Federal agencies	1,370,214	—	1,370,214
Money market mutual funds	<u>2,401,030</u>	<u>2,401,030</u>	<u>—</u>
Total investments measured at fair value	<u>\$ 8,134,516</u>	<u>2,951,059</u>	<u>5,183,457</u>

DASNY has no investments classified in the Level 3 category.

Investments classified in Level 1 are valued using prices quoted in active markets and daily publicly published prices for those securities.

Investments 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.

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(4) Loans Receivable

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

Loans Receivable at March 31, 2024 consisted of the following (dollars in thousands):

Minimum payments to be received during the fiscal years ending March 31:

2025		\$	748,866
2026			2,157,589
2027			1,839,907
2028			2,115,167
2029			2,114,508
Thereafter			<u>41,387,535</u>
Total minimum payments receivable			50,363,572
Less future financing income, unexpended bond proceeds, and other credits			<u>19,551,033</u>
Total loans receivable, net			30,812,539
Less current loans receivable, net			<u>187,795</u>
Long-term loans receivable, net		\$	<u><u>30,624,744</u></u>

Loans receivable financed by bonds and notes are collectible through periodic payments. The collection of this receivable from state related institutions is dependent on the ability of each institution to generate sufficient resources to service its bonds and notes. For state related institutions, payment is dependent upon annual appropriation. In certain situations, various credit structures are in place to reduce 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, 2024.

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(5) Capital Assets

Capital assets, net, at March 31, 2024 consisted of the following (dollars in thousands):

	<u>2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>2024</u>
Capital assets:				
Land:				
DASNY	\$ 1,083	—	—	1,083
Atlantic Avenue	715	—	—	715
Buildings:				
DASNY	23,388	—	—	23,388
Atlantic Avenue	31,127	—	—	31,127
Equipment – DASNY	21,227	919	—	22,146
Total capital assets	<u>77,540</u>	<u>919</u>	<u>—</u>	<u>78,459</u>
Less accumulated depreciation:				
DASNY	29,871	517	—	30,388
Atlantic Avenue	18,352	960	—	19,312
Total accumulated depreciation	<u>48,223</u>	<u>1,477</u>	<u>—</u>	<u>49,700</u>
Capital assets, net excluding lease and subscription IT assets	<u>\$ 29,317</u>	<u>(558)</u>	<u>—</u>	<u>28,759</u>
Lease and subscription IT assets, net (Note 8)				<u>35,470</u>
Total capital assets, net as reported in the statement of net position			<u>\$</u>	<u><u>64,229</u></u>

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

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(6) Long-Term Liabilities

DASNY's long-term liabilities as of March 31, 2024, 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	\$ 33,478,932	6,140,921	(5,706,236)	33,913,617	357,420
Other long-term liabilities:					
Accrued retainage	\$ 49,522	27,204	(19,482)	57,244	3,368
Compensated absences	4,671	244	—	4,915	—
Total OPEB liability	184,059	12,326	(15,721)	180,664	—
Other	80	14,626	—	14,706	1,353
Total other long-term liabilities, excluding lease and subscription IT liabilities	\$ 238,332	54,400	(35,203)	257,529	4,721
Lease (as lessee) and subscription IT liabilities (note 8)				36,897	2,524
Total other long-term liabilities as reported in the statement of net position				\$ 294,426	7,245
Due to New York State	\$ 987,291	4,668,013	(2,938,611)	2,716,693	2,716,693
Amounts held for institutions	778,720	2,369,093	(2,282,476)	865,337	388,987

(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 State 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

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consequences relevant to outstanding bonds and notes. This includes debt for the State University, City University, and New York State agencies detailed below (dollars in thousands).

	<u>Bonds and notes outstanding</u>	<u>Assets pledged as collateral</u>	<u>Events of default</u>	<u>Termination events</u>	<u>Subjective acceleration clauses</u>
State University (detailed in Supplemental Schedule 5):					
Dormitory Facilities (Resolution dated 5/15/13)	\$ 1,873,877	(1)	(8)	(10)	(11)
Educational Facilities (Resolution dated 9/4/02)	15,290	(2)	(8)	(10)	(11)
Educational Facilities (PIT Education Resolution dated 7/24/02)	72,255	(3)	(9)	(10)	(12)
Educational Facilities (PIT General Purpose Resolution dated 4/29/09)	5,598,750	(3)	(9)	(10)	(12)
Educational Facilities (Sales Tax Resolution dated 9/11/13)	2,087,010	(4)	(9)	(10)	(12)
Upstate Community Colleges (PIT Education Resolution dated 7/24/02)	4,885	(3)	(9)	(10)	(12)
Upstate Community Colleges (PIT General Purpose Resolution dated 4/29/09)	462,435	(3)	(9)	(10)	(12)
Upstate Community Colleges (Sales Tax Resolution dated 9/11/13)	<u>75,595</u>	(4)	(9)	(10)	(12)
Total State University	<u>10,190,097</u>				
City University (detailed in Supplemental Schedule 5):					
City University (Resolution dated 1/22/03)	242,865	(5)	(8)	(10)	(11)
City University (PIT Education Resolution dated 7/24/02)	46,550	(3)	(9)	(10)	(12)
City University (PIT General Purpose Resolution dated 4/29/09)	3,224,270	(3)	(9)	(10)	(12)
City University (Sales Tax Resolution dated 9/11/13)	<u>778,215</u>	(4)	(9)	(10)	(12)
Total City University	<u>4,291,900</u>				
New York State Agencies (detailed in Supplemental Schedule 5):					
Department of Health (Resolution dated 7/18/90)	48,350	(6)	(8)	(10)	(11)
Multiple Purposes (PIT Education Resolution dated 7/24/02)	192,045	(3)	(9)	(10)	(12)
Multiple Purposes (PIT General Purpose Resolution dated 4/29/09)	14,542,620	(3)	(9)	(10)	(12)
Multiple Purposes (Sales Tax Resolution dated 9/11/13)	4,413,420	(4)	(9)	(10)	(12)
Employer Assessment (Resolution dated 10/9/13)	<u>235,185</u>	(7)	(8)	(10)	(13)
Total New York State Agencies	<u>19,431,620</u>				
Total bonds and notes outstanding	<u>\$ 33,913,617</u>				

Footnotes for the column identified as Assets Pledged as Collateral

- (1) Dormitory Facilities Revenue Fund held by the State's Commissioner of Taxation and Finance where all revenues (rents, fees, charges) are deposited.
- (2) Secured by a pledge of all revenues received by the State University Construction Fund, as well as an annual State appropriation.
- (3) Effective April 1, 2018, a statutory allocation of 50% of State of New York personal income tax receipts are deposited into the Revenue Bond Tax Fund which is held jointly by the State's Commissioner of Taxation and Finance and the State Comptroller. Also added was a requirement to deposit 50% of the New York State Employer Compensation Expense Program receipts and 50% of the New York State Pass-Through Entity Tax receipts as additional revenue sources. Annual State appropriations are required prior to any payments out of the account. Should the

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balance be insufficient to make financing agreement payments that have been appropriated, the State Comptroller is required to transfer from the State's General Fund amounts necessary to meet the cash requirements.

- (4) A statutory allocation of 2% 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.
- (5) Secured by a pledge of all revenues received by the City University Construction Fund and an annual State and City appropriation.
- (6) 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.
- (7) 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

- (8) 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.
- (9) 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

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

Footnotes for the column identified as Subjective Acceleration Clauses

- (11) 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.
- (12) 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.
- (13) The bond resolution does not permit the trustee or bondholders to declare the bonds immediately due and payable. Bondholders of not less than 25% in principal amount of bonds outstanding may bring an action or suit to enforce the rights of the bondholders.

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As of March 31, 2024, DASNY has approximately \$34 billion of State institution bonds and notes outstanding, this amount includes no direct placements.

The following summarizes State institution bonds and notes outstanding on March 31, 2024, by primary security feature (dollars in thousands):

Payable from state and local government appropriations, state service contracts or designated income funds	\$ 31,804,555
Backed by pledged assets and revenues or payments	<u>2,109,062</u>
Total	<u><u>\$ 33,913,617</u></u>

Publicly offered fixed rate bonds are due in various installments through fiscal year ending March 31, 2054. Publicly offered fixed rate bonds bear interest at rates currently ranging from 1.085% to 5.652%.

DASNY issues debt on behalf of the State. 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 institutions are not considered conduit debt.

(b) Maturities of Bonds and Notes

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal year ends March 31:			
2025	\$ 357,420	1,541,446	1,898,866
2026	764,065	1,529,208	2,293,273
2027	391,520	1,494,751	1,886,271
2028	1,036,125	1,471,647	2,507,772
2029	2,222,649	1,417,206	3,639,855
2030–2034	9,592,663	5,687,339	15,280,002
2035–2039	7,509,074	3,620,163	11,129,237
2040–2044	6,176,115	2,034,086	8,210,201
2045–2049	4,603,816	786,198	5,390,014
2050–2054	1,260,170	117,911	1,378,081
Total	<u><u>\$ 33,913,617</u></u>	<u><u>19,699,955</u></u>	<u><u>53,613,572</u></u>

Bonds and notes above reflect the stated maturity dates for all bonds and notes outstanding as of March 31, 2024.

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(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, 2024, was approximately \$128 million.

(d) Conduit Debt

To further DASNY's mission, as described in Footnote (1), DASNY has issued bonds that meet the definition of a conduit debt obligation. As detailed in the chart below, those bonds have provided Healthcare Facilities, Independent Institutions, and Municipal Facilities with access to capital to finance, design, construct, purchase, reconstruct, and/or rehab buildings. 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. As of March 31, 2024, DASNY debt includes approximately \$22 billion of conduit debt obligations, none of which are included in its basic financial statements.

	<u>Bonds and notes outstanding</u>
Conduit debt:	
Healthcare Facilities:	
Conduit debt publicly offered	\$ 4,632,420
Conduit debt direct placement	693,776
Total Healthcare Facilities	<u>5,326,196</u>
Independent Institutions:	
Conduit debt publicly offered	10,435,615
Conduit debt direct placement	1,128,664
Total Independent Institutions	<u>11,564,279</u>
Municipal Facilities:	
Conduit debt publicly offered	\$ 4,865,780
Conduit debt direct placement	144,883
Total Municipal Facilities	<u>5,010,663</u>
Total conduit debt	<u><u>\$ 21,901,138</u></u>

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(8) Leases and Similar Subscription-Based Information Technology Arrangements

As discussed in note 2(i), DASNY is a lessee for various noncancellable leases of office space and parking. DASNY also has noncancellable subscription arrangements (similar to a lease) for the right-to-use various information technology software (subscription IT arrangements).

(a) Intangible right-to-use lease and subscription IT assets

DASNY's lease (as lessee) and subscription IT assets as of March 31, 2024, including the current portion, are comprised of the following (in thousands):

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
Lease assets:				
Office space	\$ 36,048	—	—	36,048
Parking	4,267	—	—	4,267
Total lease assets	<u>40,315</u>	<u>—</u>	<u>—</u>	<u>40,315</u>
Less accumulated amortization:				
Lease assets:				
Office space	2,471	2,494	—	4,965
Parking	277	277	—	554
Total				
accumulated amortization	<u>2,748</u>	<u>2,771</u>	<u>—</u>	<u>5,519</u>
Total lease assets, net	<u>37,567</u>	<u>(2,771)</u>	<u>—</u>	<u>34,796</u>
Subscription IT assets	1,356	758	—	2,114
Less accumulated amortization	<u>647</u>	<u>793</u>	<u>—</u>	<u>1,440</u>
Subscription IT assets, net	<u>709</u>	<u>(35)</u>	<u>—</u>	<u>674</u>
Total leases and subscription IT assets, net	<u>\$ 38,276</u>	<u>(2,806)</u>	<u>—</u>	<u>35,470</u>

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(b) Lease and subscription IT liabilities

A summary of changes in the related lease and subscription IT liabilities during the year ended March 31, 2024 is as follows (in thousands):

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Lease liabilities	\$ 38,320	—	(2,063)	36,257	2,127
Subscription IT liabilities	638	759	(757)	640	397
Total	<u>\$ 38,958</u>	<u>759</u>	<u>(2,820)</u>	<u>36,897</u>	<u>2,524</u>

DASNY's future annual payments for lease (as lessee) and subscription IT arrangements are as follows (in thousands):

	<u>Principal amount</u>	<u>Interest amount</u>	<u>Total</u>
Year ending March 31,			
2025	\$ 2,524	1,011	3,535
2026	2,378	943	3,321
2027	2,589	874	3,463
2028	2,570	802	3,372
2029	2,648	728	3,376
2030-2034	15,252	2,416	17,668
2035-2039	8,919	359	9,278
2040-2044	17	—	17
	<u>\$ 36,897</u>	<u>7,133</u>	<u>44,030</u>

(c) Variable lease and subscription payments

Variable lease and subscription payments, other than those payments that depend on an index or rate or are fixed in substance, are excluded from the measurement of the lease and subscription IT liability. Such amounts are recognized as lease expense or subscription expense, respectively, in the period in which the obligation for those payments is incurred. DASNY does not have any leases with partial or completely variable payments.

Certain subscription IT arrangements require DASNY to make variable subscription payments. These variable payments are based on amounts under management, or the dollar amount of the projects used with the software. The amounts recognized as outflows (expense) for variable IT subscription payments not included in the measurement of the subscription IT liabilities was \$1.1 million during the year ending March 31, 2024.

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(d) DASNY as Lessor

As discussed in note 2(i), DASNY is a lessor for a noncancellable lease of office space and parking. DASNY does not have any leases as a lessor with partial or completely variable payments. For the year ended March 31, 2024, DASNY earned a total of \$399 thousand in lease revenue and \$40 thousand in lease interest revenue.

Lease receivable principal and interest requirements to maturity are as follows (in thousands):

	Principal amount	Interest amount	Total
Year ending March 31,			
2025	\$ 395	31	426
2026	404	23	427
2027	412	14	426
2028	421	6	427
2029	36	—	36
	\$ 1,668	74	1,742

The remaining amounts reported as deferred inflows of resources related to leases as lessor will be recognized in future rent income for the fiscal years ending March 31 as follows (in thousands):

2025		\$ 399	
2026		399	
2027		399	
2028		399	
2029		32	
Total		\$ 1,628	

(9) Debt Refundings

DASNY has issued bonds on behalf of various state related 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 for the sole purpose of paying scheduled debt service on these bonds. As a result, the refunded bonds, some of which are still held by investors, are considered to be defeased in accordance with 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, 2024, revenue bonds of approximately \$6.9 billion (including \$0 direct placement bonds) were considered defeased under existing accounting standards; hence, such bonds and the related investments placed in trust are not included in the basic financial statements.

During the fiscal year ended March 31, 2024, refundings involved the issuance of fixed rate bonds to refund previously issued fixed rate bonds. The refunding par issued totaled \$1.8 billion par value for new fixed rate

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bonds with an average interest rate of 5.0% to refund \$2.1 billion in par value of outstanding fixed rate bonds with an average interest rate of 4.2%. The proceeds of \$2.0 billion from the sale of new bonds, including net original issue premium, plus \$225.7 million of refunded bond monies and deposits from New York State institutions, 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 provided funds for issuance costs and project reimbursements. These refundings led to a decrease of \$591.4 million in aggregate future debt service payments and a net present value economic gain of \$253.3 million for the fiscal year ended March 31, 2024.

(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, and loss of service or medical expenses. 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), indemnification and hold harmless provisions included in DASNY contractor or vendor agreements, 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 \$2.3 billion at March 31, 2024.

(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

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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 11.6% was applicable to the annual covered payroll for the year ended March 31, 2023. DASNY's required contribution for the fiscal year ended March 31, 2024 was \$6.0 million and was 100% of the contribution required.

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(iv) *Net Pension Liability (Asset)*

		<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
Net pension liability (asset)	\$	(12,122)	50,633	(10,253)	28,258

DASNY's proportionate share of the Systems' net pension liability reported as of March 31, 2024 was \$28.2 million. The net pension liability was measured as of March 31, 2023. 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, 2023, DASNY's proportion of the net pension liability was 0.13%, which is down slightly compared to the 0.15% at the March 31, 2022 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, 2023, measurement date was determined by using an actuarial valuation as of April 1, 2022, with updated procedures used to roll forward the total pension liability to March 31, 2023. This actuarial valuation used the following assumptions:

Actuarial cost method	Entry age normal
Inflation	2.9 percent
Salary scale	4.4 percent indexed by service
Investment rate of return, including inflation	5.9 percent compounded annually, net of investment expenses
Cost of living adjustments	1.5 percent annually
Decrements	Developed from the Plan's 2020 experience study of the Period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2021

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 target asset allocation percentage and by adding expected inflation.

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Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

Asset	Target Allocation	Long-term expected real rate of return
Domestic equity	32 %	4.30 %
International equity	15	6.85
Private equity	10	7.50
Real estate	9	4.60
Opportunistic/ARS portfolio	3	5.38
Credit	4	5.43
Real assets	3	5.84
Fixed income	23	1.50
Cash	1	—
	100 %	

The discount rate used to calculate the total pension liability at March 31, 2023 was 5.9%, the same rate used at the March 31, 2022 measurement date. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (4.9%)	Current assumption (5.9%)	1% Increase (6.9%)
DASNY net pension liability (asset) \$	68,287	28,258	(5,191)

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

At March 31, 2024, 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	\$ 3,009	793
Changes of assumptions	13,724	152
Net difference between projected and actual earnings on plan investments	—	166
Changes in proportion and differences between DASNY contribution and proportionate share of contributions	3,017	1,032
Contributions subsequent to the measurement date	6,080	—
Total deferred outflows/inflows of resources	\$ <u>25,830</u>	<u>2,143</u>

Deferred outflows of resources of \$6.0 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, 2025.

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):

2024	\$ 4,493
2025	(901)
2026	6,233
2027	7,782
Total	\$ <u>17,607</u>

(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, 2024 is \$11.0 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,

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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, 2024 is \$137 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 902 participants consisting of 477 current employees, 0 retirees entitled to benefits under DASNY but not yet receiving, and 425 retired and/or spouses of retired employees under DASNY.

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(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, 2024, the portion of the OPEB expense allocable to certain public clients was 93% and will be paid from future fees to be collected. A receivable in the amount of \$168.6 million is included in Other Receivables—noncurrent in the Statement of Net Position at March 31, 2024. 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, 2024, with \$8.0 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, 2024 was measured as of March 31, 2023 and determined by a valuation as of March 31, 2023. The measurement of the total OPEB liability at March 31, 2024 used the following actuarial assumptions:

Valuation date	March 31, 2023
Inflation	2.50%
Salary increase rate	3.30% per year
Discount rate	4.05%
Healthcare cost trend rates	5.75% for 2024, decreasing to an ultimate rate of 4.5% for 2031 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 Society of Actuaries Mortality Improvement Scale (MP-2021 report published in October 2021).

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(d) Accounting Information

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

	Total OPEB liability (In thousands)
Total OPEB Liability, beginning balance	\$ 184,059
Service cost	5,851
Interest	6,475
Changes in assumptions	(9,863)
Experience (Gain)/Loss	(297)
Benefit payments	(5,561)
Net changes	<u>(3,395)</u>
Total OPEB Liability, ending balance	<u>\$ 180,664</u>

Changes of assumptions and other inputs include a change in the discount rate from 3.46% in the prior year to 4.05% in the current year. The increase in the discount rate used to value the liability accounts for a \$9.8 million decrease 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 3.05%	Current rate 4.05%	1% Increase 5.05%
Total OPEB Liability	\$ 211,420	180,664	156,087

(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	\$ 155,525	180,664	212,432

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DASNY recognized (\$3.1) million in expenses related to OPEB for the year ended March 31, 2024. At March 31, 2024, DASNY reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred outflows of resources	Deferred inflows of resources
Demographic experience different than expected	\$ —	4,029
Changes in assumptions	29,532	77,050
Employer contributions subsequent to measurement date	5,657	—
Total	\$ 35,189	81,079

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

2025	\$ (16,023)
2026	(16,272)
2027	(17,402)
2028	(1,850)
Total	\$ (51,547)

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(13) Unrestricted Net Position (Deficit)

Unrestricted Net Position (Deficit) includes amounts that are not appropriable for operating expenses and are Board designated for a specific future use. Designations at March 31, 2024 are as follows (in thousands):

Designated:

Health care institution assistance	\$	27,603
Advance funding new projects		5,000
Coverage for financial risks associated with directors and officers liability insurance policies		1,698
Women/Minority Business Enterprises capital access, training and development		3,295
Reserve for replacement of corporate facilities		6,981
Reserve for 21st Century Technology Transformation		1,791
Reserve for Evolution		1,290

Total designated 47,658

Undesignated ⁽¹⁾ (66,540)

Total net position (deficit) unrestricted \$ (18,882)

(1) This negative undesignated balance is mainly 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. Additionally, \$20.2 million of the negative undesignated balance is mainly due to the increase of net investment in capital assets as a result of the adoption of GASB 87 and 96 in 2023, which will be offset by future amortization of the right-to-use lease and subscription IT assets.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Required Supplementary Information

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

(Dollars in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
DASNY's proportion of the net pension liability	0.13 %	0.15 %	0.15 %	0.15 %	0.16 %	0.15 %	0.15 %	0.15 %	0.16 %	0.16 %
DASNY's proportionate share of the net pension liability (asset)	28,258	(12,122)	146	40,294	11,133	4,686	13,797	24,119	5,259	7,035
Covered payroll	48,508	50,173	52,890	52,380	52,200	51,472	46,666	45,656	44,162	45,270
Net pension liability as a percentage of covered payroll	58.25	(0.24)	0.28	76.93	23.33	9.10	26.80	52.80	11.91	15.54
Plan fiduciary net position as a percentage of the total pension liability	90.8	103.7	100.0	86.4	96.3	98.2	94.7	90.7	97.9	97.2

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

See accompanying independent auditors' report.

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Required Supplementary Information

Schedule of Pension Contributions

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

(Dollars in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 6,080	5,704	8,380	7,297	7,230	7,232	6,805	6,875	7,716	7,980
Contributions in relation to the contractually required contribution	<u>(6,080)</u>	<u>(5,704)</u>	<u>(8,380)</u>	<u>(7,297)</u>	<u>(7,230)</u>	<u>(7,232)</u>	<u>(6,805)</u>	<u>(6,875)</u>	<u>(7,716)</u>	<u>(7,980)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered payroll	\$ 55,211	48,508	50,173	52,890	52,380	52,200	51,472	46,666	45,656	44,162
Contributions as a percentage of covered payroll	11.01 %	11.76 %	16.70 %	13.80 %	13.80 %	13.85 %	13.22 %	14.73 %	16.90 %	18.07 %

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

See accompanying independent auditors' report.

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Required Supplementary Information

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

(Dollars in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability:						
Service cost	\$ 5,851	11,722	8,171	7,450	7,584	6,895
Interest	6,475	5,231	6,885	7,017	7,238	7,086
Differences between expected and actual experience	(297)	(1,664)	—	(10,662)	—	—
Changes in assumptions	(9,863)	(117,341)	53,200	21,422	(6,985)	7,436
Benefit payments	<u>(5,561)</u>	<u>(5,573)</u>	<u>(5,166)</u>	<u>(4,941)</u>	<u>(4,708)</u>	<u>(4,838)</u>
Net change in total OPEB liability	(3,395)	(107,625)	63,090	20,286	3,129	16,579
Total OPEB liability, beginning	<u>184,059</u>	<u>291,684</u>	<u>228,594</u>	<u>208,308</u>	<u>205,179</u>	<u>188,600</u>
Total OPEB liability, ending	\$ <u>180,664</u>	<u>184,059</u>	<u>291,684</u>	<u>228,594</u>	<u>208,308</u>	<u>205,179</u>
Net position as a percentage of total OPEB liability	114.1 %	67.7 %	42.8 %	39.0 %	83.8 %	118.0 %
Covered-employee payroll	\$ 50,647	56,173	52,890	52,380	52,200	51,472
Total OPEB liability as a percentage of covered-employee payroll	356.7 %	327.7 %	551.5 %	436.4 %	399.1 %	398.6 %

⁽¹⁾ Calculated with the restated net position.

Changes in benefit terms. There were no significant changes in benefits for the March 31, 2018, 2020, 2022 and 2023 actuarial valuation.

Changes in assumptions:

The discount rate was updated from 3.46% in 2023 to 4.05% in 2024.

The salary increase rate was updated from 3.00% in 2022 to 3.3% in 2023.

The discount rate was updated from 1.74% in 2022 to 3.46% in 2023.

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

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

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

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

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

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

See accompanying independent auditors' report.



DASNY

DASNY.ORG



Albany Office
Corporate Headquarters
515 Broadway
Albany, NY 12207-2964
(518) 257-3000

New York City Office
28 Liberty Street, 55th Floor
New York, NY 10005
(212) 273-5000

Buffalo Office
6047 Transit Road, Suite 103
East Amherst, NY 14501
(716) 884-9780

Rochester Office
3495 Winton Place
Building C, Suite 1
Rochester, NY 14623
(585) 450-8400