



**DASNY**

**KATHY HOCHUL**  
Governor

**LISA GOMEZ**  
Chair

**ROBERT J. RODRIGUEZ**  
President & CEO

**Memorandum**

**TO:** Sara P. Richards, Esq., Managing Director, Executive Direction

**FROM:** Robert S. Derico, R.A., Director, Office of Environmental Affairs

**DATE:** September 6, 2024 (REVISED)

**RE:** *State Environmental Quality Review (SEQR) Type II Determination for the Montefiore Obligated Group's Various Facility Maintenance, Upgrades, and Reimbursement of Costs, Bronx, Westchester, Orange, and Rockland Counties (Hospitals Program)*

**Description of Proposed Action and Proposed Project.** Montefiore Obligated Group ("MOG") has requested financing from the Dormitory Authority of the State of New York ("DASNY") for its *Various Facility Maintenance, Upgrades, and Reimbursement of Costs* (the "Proposed Project"). Based on a review of the attached *Transaction Report - Single Approval*, dated September 3, 2024, it has been determined that the Proposed Action would involve DASNY's authorization of the issuance of one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$135,000,000 with maturities not to exceed 30 years to be sold at one or more times through a negotiated offering and/or a private placement.

**2024 Financing Project.** The proceeds of the bond issuance would be used by MOG and Montefiore Medical Center ("MMC") at its various locations for the *2024 Financing Project*, which would involve the financing or continued financing of interior expansion and/or renovation of its existing exam rooms, operating rooms, medical imaging suites, doctor's offices, business offices, and the transfers of ownership of leases related to medical practices office space. In addition, the proceeds would be utilized for the purchase of medical and office related equipment, replacement and upgrading of information technology systems, the maintenance and repair of facilities mechanical equipment, building life safety upgrades, and necessary code compliance work. Funding will also be utilized for the reimbursement of fund expended for previously completed work and transactions. Together, these various project elements constitute the "Proposed Project" for purposes of SEQR compliance.

**Institution.** MOG is comprised of one entity, MMC. MMC is a 1,558-bed, not-for-profit, acute care teaching hospital located in the Bronx, New York. MMC operates three inpatient acute care facilities located on three campuses – Montefiore Hospital, Weiler Hospital and Wakefield Hospital -- in the Bronx as well as numerous ambulatory care and outpatient facilities. MMC also operates many community benefit programs, including wellness, community education, health screenings, community support services, health professionals' education, school health and subsidized health services. MMC maintains a commitment to underserved populations and is a designated safety-net hospital. MMC developed the first Department of Social Medicine, the first hospital-based Department of Social Work and the first hospital-based Department of Home Health Care in the United States. The Medical Center is the university hospital and primary teaching affiliate of the Albert Einstein College of Medicine (AECOM). MMC provides training to interns, residents, fellows, physician's assistants, pharmacists, physicists and psychologists. MMC is the sole member of the Montefiore Obligated Group (the "Obligated Group") and, as such, has the legal and contractual obligations in connection with the obligations issued under the Master Trust Indenture ("MTI").

MMC is a member of the Montefiore Health System, Inc. (the "Health System") and is the flagship of the integrated academic healthcare system serving the Bronx, Westchester, Orange, and Rockland Counties. MMC

represents 65.7-percent of the Health System's total operating revenue and 68.9-percent of total assets. The Health System includes the following providers:

- Montefiore Medical Center – Montefiore Hospital; 111 East 210th Street, Bronx, New York 10467
- Montefiore Medical Center – Weiler Hospital; 1825 Eastchester Rd, Bronx, New York 10461
- Montefiore Medical Center – Wakefield Hospital; 600 E 233rd St, Bronx, New York 10466
- Montefiore New Rochelle Hospital; 16 Guion Place, New Rochelle, New York 10801
- Montefiore Mount Vernon Hospital; 12 North 7th Avenue, Mt. Vernon, New York 10550
- Montefiore Westchester Square (off-campus Emergency Department); 2475 St. Raymond Avenue, Bronx, New York 10461
- Montefiore Nyack Hospital; 160 North Midland Avenue, Nyack, New York 10960
- Burke Rehabilitation Hospital; 785 Mamaroneck Avenue, White Plains, New York 10605
- Montefiore Hutchinson Campus; 1250 Waters Place, Bronx, New York 10461
- Additional satellite facilities throughout the Bronx and Westchester counties.

**SEQR Determination.** DASNY conducted this environmental review in compliance with the *State Environmental Quality Review Act* (“SEQRA”), codified at Article 8 of the *New York Environmental Conservation Law* (“ECL”), and its implementing regulations, promulgated at Part 617 of Title 6 of the *New York Codes, Rules and Regulations* (“N.Y.C.R.R.”), which collectively contain the requirements for the *State Environmental Quality Review* (“SEQR”) process.

As described above and in the attached documents, these Proposed Project components would entail the “*maintenance or repair involving no substantial changes in an existing structure or facility*”; the “*replacement, rehabilitation or reconstruction of a structure or facility, in kind, on the same site, including upgrading buildings to meet building, energy, or fire codes*”; “*conducting concurrent environmental, engineering, economic, feasibility and other studies and preliminary planning and budgetary processes necessary to the formulation of a proposal for action, provided those activities do not commit the agency to commence, engage in or approve such action*”; “*refinancing of existing debt*”; the “*purchase or sale of furnishings, equipment or supplies, including surplus government property*”; and the “*license, lease and permit renewals, or transfers of ownership thereof, where there will be no material change in permit conditions or the scope of permitted activities*”; which are Type II actions as specifically designated by 6 N.Y.C.R.R. § 617.5(c)(1), 6 N.Y.C.R.R. § 617.5(c)(2), 6 N.Y.C.R.R. § 617.5(c)(27), 6 N.Y.C.R.R. § 617.5(c)(29), 6 N.Y.C.R.R. § 617.5(c)(31), and 6 N.Y.C.R.R. § 617.5(c)(32), respectively.

Type II “actions have been determined not to have significant impact on the environment or are otherwise precluded from environmental review under Environmental Conservation Law, article 8.”<sup>1</sup> Therefore, no further SEQR determination or procedure is required for any component of the Proposed Project identified as Type II.

**SHPA Determination.** The Proposed Project was also reviewed in conformance with the *New York State Historic Preservation Act of 1980* (“SHPA”), especially the implementing regulations of section 14.09 of the *Parks, Recreation and Historic Preservation Law* (“PRHPL”), as well as with the requirements of the Memorandum of Understanding (“MOU”), dated March 18, 1998, between the DASNY and the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”). In compliance with Article III, Section 3.0 of the MOU, OPRHP would be notified of the Proposed Project being funded with bond proceeds.

It is the opinion of DASNY that the Proposed Project would have no impact on historical or cultural resources in or eligible for inclusion in the National and State Registers of Historic Places.

Cc: Dens Amodio, Esq.

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<sup>1</sup> 6 N.Y.C.R.R. § 617.5(a).

Matthew T. Bergin  
Alex Sirdine  
Michael Logan



# Transaction Report – Single Approval Montefiore Obligated Group – Bronx, New York

September 3, 2024

**PROGRAM:**

Hospitals

**PURPOSE:**

New Money

**NOT TO EXCEED AMOUNT:**

\$135,000,000

**NOT TO EXCEED TERM:**

30 Years

**INTEREST RATE TYPE:**

Fixed and/or Variable

**BOND TAX STATUS:**

Tax-Exempt and/or Taxable

**SALE TYPE:**

Negotiated Offering and/or  
Private Placement

**EXPECTED RATINGS:**

Baa3/BBB-/NR

**SECURITY:**

Obligations issued under the  
Master Trust Indenture

## Proposed New Issue Overview

The Board is being asked to adopt documents for one or more series of fixed and/or variable rate, tax-exempt and/or taxable bonds in an amount not to exceed \$135,000,000 with maturities not to exceed 30 years to be sold at one or more times through a negotiated offering and/or a private placement.

### Financing Team:

- Senior Manager – TBD
- Co-Bond Counsel – Hawkins Delafield & Wood LLP and Brown Hutchinson LLP
- Underwriter’s Counsel – Katten Muchin Rosenman LLP

### Purpose:

- Financing the costs and/or reimbursements associated with various capital projects at Montefiore Medical Center (the “Medical Center” or “MMC”), Montefiore Nyack Hospital, Montefiore Mount Vernon Hospital, and Montefiore New Rochelle Hospital, together with various other capital costs of facilities and equipment used in connection with the operations of the Health System (as defined below).

### Security:

- One or more Obligations issued under the Master Trust Indenture (MTI). Obligations are expected to be secured by both a security interest in the gross receipts of members of the Obligated Group and mortgages on certain facilities of members of the Obligated Group. Currently, the sole member of the Obligated Group is the Medical Center.

### Description of the Bonds:

- The Bonds are a special obligation of DASNY.
- The Loan Agreement is a general obligation of the Medical Center.
- The Bonds are payable from payments made pursuant to the Loan Agreement and the Obligation(s).

### Financing Details:

**New Money:** Montefiore Medical Center is seeking DASNY financing to fund and/or reimburse costs in connection with various capital projects at Montefiore Medical Center, Montefiore Nyack Hospital, Montefiore Mount Vernon Hospital, and Montefiore New Rochelle Hospital and other locations that serve the Health System.

**Sources and Uses:** The proposed financing will require a deposit to the construction fund of approximately \$130 million. Total costs of issuance, including underwriter’s discount, are estimated at approximately \$1.8 million. The financing plan requires a bond issue of an amount not to exceed \$135 million.



<b>Sources of Funds:</b>		<b>Series 2024</b>
Bond Proceeds		\$ 131,840,000
<b>Total Sources</b>		<b>\$ 131,840,000</b>
<b>Uses of Funds:</b>		
Deposit to:		
Construction Fund		\$ 130,000,000
Costs of Issuance and Underwriter's Discount		1,840,000
<b>Total Uses</b>		<b>\$ 131,840,000</b>

**Background:**

MMC has advised staff that it is evaluating a tender program for prior issued taxable bonds. If implemented successfully, the tender program would permit MMC to purchase tendered taxable bonds at a discount. The tender program may enable MMC to (i) have less debt on its balance sheet and (ii) have overall lower debt service requirements. The timing of the tender program, if any, has not been determined and MMC cannot provide assurances as to the amount of prior taxable bonds that would be tendered or the related purchase price.

**Approvals**

SEQR Filing – September 10, 2024\*    PACB Approval – September 11, 2024\*    TEFRA Hearing – TBD

\*Anticipated date

**Borrower Overview**

Montefiore Medical Center is a 1,558-bed, not-for-profit, acute care teaching hospital located in the Bronx, New York. MMC operates three inpatient acute care facilities located on three campuses – Montefiore Hospital, Weiler Hospital and Wakefield Hospital -- in the Bronx as well as numerous ambulatory care and outpatient facilities. MMC also operates many community benefit programs, including wellness, community education, health screenings, community support services, health professionals’ education, school health and subsidized health services. MMC maintains a commitment to underserved populations and is a designated safety-net hospital. MMC developed the first Department of Social Medicine, the first hospital-based Department of Social Work and the first hospital-based Department of Home Health Care in the United States. The Medical Center is the university hospital and primary teaching affiliate of the Albert Einstein College of Medicine (AECOM). MMC provides training to interns, residents, fellows, physician’s assistants, pharmacists, physicists and psychologists. MMC is the sole member of the Montefiore Obligated Group (the “Obligated Group”) and, as such, has the legal and contractual obligations in connection with the obligations issued under the Master Trust Indenture (“MTI”).

MMC is a member of the Montefiore Health System, Inc. (the “Health System”) and is the flagship of the integrated academic healthcare system serving the Bronx, Westchester, Orange, and Rockland Counties. MMC represents 65.7% of the Health System’s total operating revenue and 68.9% of total assets. The Health System includes the following providers:

- Montefiore Medical Center – Montefiore Hospital;
- Montefiore Medical Center – Weiler Hospital;
- Montefiore Medical Center – Wakefield Hospital;
- Montefiore Medical Center Long Term Home Health Care Program;
- Montefiore Medical Center Home Care and Extended Services;
- Montefiore New Rochelle Hospital;
- Montefiore Mount Vernon Hospital;
- Schaeffer Extended Care Center;
- Montefiore Westchester Square (off-campus ED);
- Montefiore Nyack Hospital;
- Burke Rehabilitation Hospital;
- St. Luke’s Cornwall Hospital; and
- White Plains Hospital Center.

Governance: MMC’s Board of Trustees currently has approximately 40 members and includes the President and CEO of Montefiore Medicine, Montefiore Medical Center, and Montefiore Health System, and the Chairman of the Albert Einstein College of Medicine Board of Trustees. The Board of Trustees governs through nine committees including: Audit, Community Services, Compliance, Executive, Finance, Investment, Legal, Medical, and Real Estate Planning and Development.

**Financing History:**

Montefiore Hospital first borrowed through DASNY in 1979. Since that time, Montefiore Medical Center has issued through the FHA insurance program with DASNY in 1996, 1999, 2000, 2004, 2005, and 2008. Most recently, MMC issued bonds through an Obligated Group structure with DASNY in 2018 and 2020. As of June 30, 2024, MMC had approximately \$1.04 billion DASNY bonds outstanding -- \$309 million DASNY Series 2018A, \$376 million DASNY Series 2018B Taxable, and \$356.5 million DASNY Series 2020A. In addition, as of March 31, 2024, MMC had outstanding approximately \$832 million taxable bonds it issued directly, including: \$350 million Series 2018C and \$481.95 million Series 2018C.

**Utilization:**

<u>Selected Utilization Statistics</u>						<u>2022</u>	<u>2022</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Statewide</u>	<u>DASNY</u>
						<u>Median</u>	<u>Median</u>
Licensed Beds (excluding bassinets)	1,558	1,558	1,558	1,558	1,558		
Total Discharges (excluding Nursery)	88,064	72,419	75,102	74,427	76,302		
Total Patient Days (excluding Nursery)	517,794	446,606	466,521	467,772	484,754		
Total Outpatient Visits	2,621,710	2,045,747	2,563,309	2,504,767	2,537,117		
Full-time equivalent (FTE) employees	20,377	20,229	19,885	19,528	19,960		
Occupancy	91.05%	78.32%	82.04%	82.26%	85.24%	47.61%	71.81%
Average Length of Stay	5.88	6.17	6.21	6.28	6.35	5.16	5.79

- The table above presents MMC utilization data over the past five years. Discharges have increased 5.4% post-pandemic, from 72,419 in 2020 to 76,302 in 2023. However, this represents a 13.4% decrease from their pre-pandemic levels in 2019. MMC management does not expect inpatient volumes to return to pre-pandemic levels due in part to industry trends and its location in the Bronx, which saw very high levels of COVID-19 cases. However, outpatient visits have grown post-pandemic to 2,537,111 in 2023, almost back to its 2019 pre-pandemic level of 2,621,710.
- MMC’s average length of stay has remained relatively stable over the past five years, averaging 6.18 days.
- The Medical Center’s Occupancy Rate, which measures total patient days to total licensed bed days available, has increased post-pandemic to 85.24%, which is above both the 2022 Statewide and DASNY medians.

<u>Payor Mix (% of revenue)</u>					
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Medicare	32.80%	30.46%	32.61%	31.40%	32.23%
Medicaid	32.31%	30.87%	28.32%	33.39%	35.09%
Commercial	33.09%	37.80%	37.85%	34.43%	32.00%
Self Pay	1.63%	0.67%	0.78%	0.44%	0.25%
Other	<u>0.17%</u>	<u>0.20%</u>	<u>0.44%</u>	<u>0.34%</u>	<u>0.43%</u>
Total	100.00%	100.00%	100.00%	100.00%	100.00%

- MMC’s historical payor mix is presented above, with Medicare and Medicaid combined constituting the largest portion, 67.3% of gross revenue, followed by Commercial payors at 32.0%. Notably, the Medicaid portion has grown by nearly 7% over the last three years, while Commercial payors have declined.

## Operations:

<u>Selected Operating Statistics</u>						<u>2022</u> <u>Statewide</u> <u>Median</u>	<u>2022</u> <u>DASNY</u> <u>Median</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>		
Total Operating Revenue	\$ 4,158,932,000	\$ 4,334,304,000	\$ 4,263,119,000	\$ 4,570,321,000	\$ 5,066,672,000		
Total Operating Expenses	<u>4,153,294,000</u>	<u>4,455,142,000</u>	<u>4,540,279,000</u>	<u>4,635,932,000</u>	<u>5,006,441,000</u>		
Operating Income	5,638,000	(120,838,000)	(277,160,000)	(65,611,000)	60,231,000		
Total Non Operating Activities	<u>84,096,000</u>	<u>28,584,000</u>	<u>(36,501,000)</u>	<u>(97,186,000)</u>	<u>85,899,000</u>		
Operating Excess	89,734,000	(92,254,000)	(313,661,000)	(162,797,000)	146,130,000		
Total Other Changes in Unrestricted	<u>(71,968,000)</u>	<u>(59,185,000)</u>	<u>(120,413,000)</u>	<u>(89,841,000)</u>	<u>(178,578,000)</u>		
Change in Unrestricted Net Assets	17,766,000	(151,439,000)	(434,074,000)	(252,638,000)	(32,448,000)		
Operating Margin	-1.02%	-3.98%	-7.48%	-2.26%	0.21%	-2.64%	-0.74%
Excess Margin	1.05%	-2.12%	-8.34%	-1.56%	1.10%	-2.46%	-0.74%
Net Profit Margin	0.42%	-3.47%	-10.36%	-5.53%	-0.64%	-2.30%	-2.64%
EBIDA Debt Service Coverage Ratio	2.03	0.96	-0.63	1.07	1.63	0.89	1.17

- The above table represents the Medical Center's operating results over the last five years. MMC reported total operating revenues of \$5.1 billion and operating expenses of \$5.0 billion during fiscal year 2023.
- The Medical Center has faced a number of challenges in the last few years, some of which were triggered by the COVID-19 pandemic, which had a disproportionately negative impact on the Medical Center when compared to the Health System's other suburban sites, like White Plains Hospital Medical Center. Lower inpatient volume, higher labor costs, and continued transfers to the Albert Einstein College of Medicine have all resulted in the Medical Center posting operating losses in three out of the last five years. However, the Medical Center returned to operating profitability for fiscal year 2023, posting an operating profit of \$60.2 million. This is partly due to increased State/Federal funding through the State's Directed Payment Template (DPT) Program for safety net providers. This support comes in the form of a Medicaid rate enhancement.
- Fluctuations in the Total Non-Operating Activities are largely a result of investment gains and losses from year to year.
- The Medical Center's Change in Unrestricted Net Assets has been negative for four out of the last five years, even with MMC's recent positive operating performance. This largely is the result of transfers from the Medical Center to support the Albert Einstein College of Medicine as well as other members of the Health System. In the fiscal year 2023, MMC transfers to members totaled \$159 million, \$110 of which went to AECOM. Transfers to AECOM averaged \$109 million annually over the past three years. The Medical Center views this continued financial support as necessary to attract top talent and enable AECOM to invest in groundbreaking research, particularly in areas that align with Montefiore's clinical priorities. This helps advance medical knowledge and leads to innovations in patient care.
- MMC's EBIDA debt service coverage ratio was 1.63x at fiscal year-end 2023 and averaged 1.01x over five years. However, it should be noted that the Medical Center failed to adhere to its debt service coverage ratio covenant requirement stipulated in the Master Trust Indenture for fiscal year 2021. Two consecutive years of such covenant violation would have resulted in an Event of Default. However, since the initial breach in 2021, the Medical Center has been in compliance with all applicable financial covenants.



Balance Sheet:

<u>Selected Balance Sheet Statistics</u>							<u>2022</u>	<u>2022</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Statewide</u>	<u>DASNY</u>	
						<u>Median</u>	-	
<b>Assets:</b>								
Current Assets	\$ 2,171,757,000	\$ 3,013,680,000	\$ 2,512,969,000	\$ 2,144,898,000	\$ 2,162,945,000			
Limited Use Assets	156,131,000	148,025,000	166,023,000	153,784,000	177,302,000			
Long-Term Assets	<u>2,266,244,000</u>	<u>2,340,145,000</u>	<u>2,389,584,000</u>	<u>2,402,087,000</u>	<u>2,322,905,000</u>			
Total Assets	\$ 4,594,132,000	\$ 5,501,850,000	\$ 5,068,576,000	\$ 4,700,769,000	\$ 4,663,152,000			
<b>Liabilities:</b>								
Current Liabilities	\$ 851,370,000	\$ 1,043,237,000	\$ 1,228,244,000	\$ 1,161,537,000	\$ 1,206,768,000			
Long-Term Debt	1,365,565,000	2,014,176,000	1,999,258,000	1,985,115,000	1,959,601,000			
Other Long-Term Liabilities	<u>1,621,528,000</u>	<u>1,837,313,000</u>	<u>1,668,197,000</u>	<u>1,634,437,000</u>	<u>1,608,450,000</u>			
Total Liabilities	\$ 3,838,463,000	\$ 4,894,726,000	\$ 4,895,699,000	\$ 4,781,089,000	\$ 4,774,819,000			
<b>Net Assets:</b>								
Unrestricted	\$ 646,668,000	\$ 495,229,000	\$ 61,155,000	\$ (191,483,000)	\$ (223,931,000)			
Temporarily Restricted	109,001,000	111,895,000	111,722,000	111,163,000	112,264,000			
Permanently Restricted	-	-	-	-	-			
Total Net Assets	\$ 755,669,000	\$ 607,124,000	\$ 172,877,000	\$ (80,320,000)	\$ (111,667,000)			
Current Ratio	2.55	2.89	2.05	1.85	1.79	1.27	1.23	
Cushion Ratio	11.80	14.80	10.76	7.96	7.10	8.35	7.96	
Days Operating Cash Available	141.04	200.17	146.98	107.85	97.84	57.56	95.72	
Cash to Debt	77.03%	89.31%	65.70%	50.15%	50.12%	91.56%	50.15%	
Debt to Capitalization	75.90%	84.38%	97.81%	107.69%	109.25%	27.01%	64.83%	

- The table above summarizes MMC’s balance sheet for the period 2019 through 2023. The Medical Center saw a sharp increase in its total assets for fiscal years 2020 and 2021, followed by a decrease back down to its pre-pandemic levels. This increase was largely due to the Medical Center’s receipt of COVID-19-related funds (Medicare advances) from the Federal Government. MMC reported total assets of \$4.7 billion in FY 2023, which was slightly above the \$4.6 figure reported in FY 2019. Over the same time period, liabilities have grown by 24.4% to \$4.7 billion, which results in the Medical Center reporting negative net assets (having more liabilities than total assets) of \$111.7 million.
- Over the five-year time period, MMC’s current ratio, which is calculated by dividing the Medical Center’s current assets by its current liabilities, declined to 1.79 at fiscal year-end 2023; it is still above the 2022 Statewide and DASNY Medians of 1.27 and 1.23, respectively. The Medical Center’s cushion ratio, which measures the ability to pay debt service from cash and unrestricted board-designated funds, also declined from 11.80 in 2019 to 7.10 in 2023, while the 2022 Statewide and DASNY Medians were 8.35 and 7.96, respectively. Additionally, days cash on hand averaged 138.78 days over five years but has declined to 98 days in 2023. However, this figure is above the 2022 Statewide and DASNY Medians.
- MMC has submitted approximately \$460 million in funding requests to FEMA (Federal Emergency Management Agency) related to COVID expenses incurred during the pandemic. For the years ended December 31, 2023, and 2022, the Medical Center recognized (booked) approximately \$18 million and \$56 million of such grant revenue. In 2024, \$189 million in additional FEMA payments were obligated to Montefiore and are expected to be received this year, with the balance potentially coming in 2025.
- The Medical Center’s 2023 cash-to-debt ratio was reported at 50.12%, while the debt-to-capitalization ratio was reported at 109.25%. Both debt ratios are an indication of MMC’s high-leverage position. However, the proposed new tax-exempt bonds are expected to be issued in an amount lesser than/equal to the anticipated principal amount of tendered taxable debt.



## Recommendation

- The Board is being asked to adopt the necessary documents for the Montefiore Medical Center financing. Hawkins Delafield & Wood LLP and Brown Hutchinson LLP, co-bond counsel, will provide the Board with an overview of certain bond document provisions at the September 11, 2024 Board meeting.

*This report was prepared solely to assist DASNY in its review and approval of the proposed financing described therein and must not be relied upon by any person for any other purpose. DASNY does not warrant the accuracy of the statements contained in any offering document or any other materials relating to or provided by the Institution in connection with the sale or offering of the Bonds, nor does it directly or indirectly guarantee, endorse or warrant (1) the creditworthiness or credit standing of the Institution, (2) the sufficiency of the security for the Bonds or (3) the value or investment quality of the Bonds.*

*The Bonds are special limited obligations of DASNY that are secured only by the amounts required to be paid by the Institution pursuant to the Loan Agreement, certain funds established under the Resolution and other property, if any, pledged by the Institution as security for the Bonds.*