NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION

(A Component Unit of the State of New York)

Basic Financial Statements

March 31, 2022 and 2021

(With Independent Auditors' Report Thereon)

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

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KPMG LLP
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Independent Auditors' Report

The Board of Directors
New York State Environmental Facilities Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New York State Environmental Facilities Corporation (the Corporation), a component unit of the State of New York, as of and for the years ended March 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements for the years 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 the Corporation as of March 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits 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 the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Corporation'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 the Corporation'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 the Corporation'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 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The combining schedule of net position, the combining schedule of revenues, expenses, and changes in net position, and the combining schedule of cash flows are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of net position, the combining schedule of revenues, expenses, and changes in net position, and the combining schedule of cash flows is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 on our consideration of the Corporation'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 the Corporation'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 the Corporation's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York
June 30, 2022

Introduction

The New York State Environmental Facilities Corporation (EFC or the Corporation) is a Public Benefit Corporation whose mission is to assist communities throughout New York State to undertake critical water quality infrastructure projects by providing access to low cost capital, grants, and expert technical assistance. A primary goal is to ensure that these projects remain affordable while safeguarding essential water resources. We support this mission by consistently using an innovative approach to developing and advancing new financing strategies to maximize the funding that can be made available to our clients, aiding compliance with Federal and State requirements, and promoting green infrastructure practices.

EFC’s primary activities are within its State Revolving Fund programs (SRFs).

EFC’s basic financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board.

Corporate Activities

EFC’s corporate activities include the Industrial Finance Program (IFP) and the Small Business Environmental Assistance Program (SBEAP).

The IFP provides tax-exempt and taxable conduit financings to private entities for a variety of environmental purposes. The SBEAP assists business owners in reducing discharges of pollutants into the environment by providing technical guidance.

State Revolving Fund Programs

EFC’s two major programs are the Clean Water and Drinking Water State Revolving Funds (CWSRF/DWSRF). These two programs account for substantially all of the total assets and the increase in net position of EFC. These programs provide financial support to communities throughout the State to undertake projects that prevent water pollution and provide safe drinking water.

Clean Water State Revolving Fund Program

The CWSRF program provides low-interest rate financing terms and in certain cases offers loan guarantees, principal forgiveness and grants to eligible recipient entities for projects that reduce, eliminate or prevent water pollution. The program is administered jointly by EFC and the New York State Department of Environmental Conservation (DEC). As the financings are repaid, the money becomes available to finance new projects and the funds continue to revolve. The CWSRF provides up to a 50% interest rate subsidy, which saves communities money on interest costs.

Examples of eligible CWSRF projects include construction of new wastewater treatment plants, upgrades to existing plants, sewer line extensions and storm water management projects.

Drinking Water State Revolving Fund Program

The DWSRF program provides low-interest rate financing terms and in certain cases offers principal forgiveness, as well as hardship grants for publicly and privately owned community water system projects that provide safe, affordable drinking water. The program is administered jointly by EFC and the New York State Department of Health (DOH). Like the CWSRF, as the financings are repaid, the money becomes available to finance new projects. The DWSRF provides up to a 33⅓% interest rate subsidy, which saves communities money on interest costs.

Examples of eligible DWSRF projects include upgrades to treatment facilities to ensure compliance with Federal and State drinking water standards, installation or replacement of storage facilities to prevent contamination or provide adequate delivery pressure, and installation or replacement of transmission and distribution mains to prevent contamination.

Water Infrastructure Improvement Acts/Clean Water Infrastructure Act of 2017

The New York State Water Infrastructure Improvement Acts of 2015 and 2017 (WIIA) provided significant state resources to fund critical drinking water and wastewater infrastructure projects. Under WIIA, EFC provides grants to assist municipalities in funding water quality infrastructure. WIIA grants are available for both drinking water and sewage treatment works (clean water) projects that protect or improve water quality and/or public health.

The Clean Water Infrastructure Act of 2017 (CWIA) invests additional state resources to fund drinking water and clean water infrastructure projects as well as water quality protection across New York State. CWIA continues the investment of WIIA and funds new programs that will also protect or improve water quality and/or public health.

Many of the projects that are supported with WIIA/CWIA will also receive CWSRF or DWSRF funding.

Financial Highlights – 2022

- Total assets and deferred outflows of resources decreased by $77.2 million or .6% from $13.1 billion to $13.0 billion.
- Net position increased by $232.5 million from $7.1 billion to $7.3 billion
- Investment income decreased by $58.0 million or 82.0% from $70.7 million to $12.7 million.
- Project grant revenues increased by $288.8 million from $7.4 million to $296.2 million.
- The Corporation issued two series of SRF bonds in an aggregate principal amount of $429.3 million.

Financial Highlights – 2021

- Total assets and deferred outflows of resources decreased by $141.2 million or 1.1% from $13.3 billion to $13.1 billion.
- Net position increased by $2.3 million and remained at $7.1 billion.
- Investment income decreased by $39.5 million or 35.9% from $110.2 million to $70.7 million.
- Project grant revenues decreased by $279.7 million from $287.1 million to $7.4 million.
- The Corporation issued two series of SRF bonds in an aggregate principal amount of $294.5 million.

SRF Program Activity

A summary of the SRFs' bond issuances that occurred is as follows:

2022					
Series	Closed		CWSRF	DWSRF	Total
2021A	6/30/2021	$	205,725,000	79,020,000	284,745,000
2021B	12/9/2021		81,035,000	63,505,000	144,540,000
		$	286,760,000	142,525,000	429,285,000

2021					
Series	Closed		CWSRF	DWSRF	Total
2020A	4/8/2020	$	171,385,000	—	171,385,000
2020B	12/17/2020		77,955,000	45,155,000	123,110,000
		$	249,340,000	45,155,000	294,495,000

The preceding charts reflect the amount of SRF bonds at their original par value. SRF bonds are typically sold at a premium or discount and the proceeds of those bonds are provided to recipients. SRF bonds are rated AA or better by Standard and Poor's, Moody's Investors Service and Fitch, Inc.

A summary of the SRFs' financings that occurred is as follows:

		2022		
		CWSRF	DWSRF	Total
Leveraged financings	$	378,757,489	176,930,763	555,688,252
Long-term direct financings		201,020,656	35,456,801	236,477,457
Short-term direct financings		406,780,097	122,069,389	528,849,486
Grants		10,186,959	5,901,182	16,088,141
	$	996,745,201	340,358,135	1,337,103,336

		2021	
	CWSRF	DWSRF	Total
Leveraged financings	$ 362,022,721	69,382,022	431,404,743
Long-term direct financings	234,858,927	21,937,435	256,796,362
Short-term direct financings	564,724,220	68,756,577	633,480,797
Grants	22,509,036	6,338,188	28,847,224
	$ 1,184,114,904	166,414,222	1,350,529,126

A summary of the WIIA/CWIA financings that occurred is as follows:

		2022	
	CW	DW	Total
Grants	$ 156,082,290	231,302,753	387,385,043
Short-term loans	—	—	—
	$ 156,082,290	231,302,753	387,385,043

		2021	
	CW	DW	Total
Grants	$ 87,891,477	111,510,454	199,401,931
Short-term loans	900,000	—	900,000
	$ 88,791,477	111,510,454	200,301,931

Summary Schedule of Net Position

A summary of the Corporation’s net position is as follows:

		2022	2021
Assets and Deferred Outflows of Resources			
Current assets	$	1,382,307,856	1,696,346,628
Noncurrent assets		11,650,901,275	11,413,259,843
Total assets		13,033,209,131	13,109,606,471
Deferred outflows of resources		14,485,107	15,290,875
Total assets and deferred outflows of resources	$	13,047,694,238	13,124,897,346
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities	$	540,790,860	544,185,356
Noncurrent liabilities		5,140,067,601	5,453,432,782
Total liabilities		5,680,858,461	5,997,618,138
Deferred inflows of resources		17,696,759	10,630,620
Total liabilities and deferred inflows of resources		5,698,555,220	6,008,248,758
Net position restricted		7,340,704,969	7,109,162,069
Net position unrestricted		8,434,049	7,486,519
Total net position		7,349,139,018	7,116,648,588
Total liabilities, deferred inflows of resources and net position	$	13,047,694,238	13,124,897,346

Summary Schedule of Revenues, Expenses and Changes in Net Position

A summary of the Corporation's revenues, expenses and changes in net position is as follows:

	March 31 2022	March 31 2021
Total operating revenues	$ 317,739,006	335,851,345
Total operating expenses	359,145,722	385,415,033
Operating loss	(41,406,716)	(49,563,688)
Nonoperating revenues	476,922,431	189,100,526
Nonoperating expenses	203,025,285	137,256,893
Increase in net position	232,490,430	2,279,945
Beginning net position	7,116,648,588	7,114,368,643
Cumulative effect of change in accounting principles		
Ending net position	$ 7,349,139,018	7,116,648,588

Statements of Net Position Analysis

2022

The Corporation's total assets and deferred outflows of resources decreased $77.2 million from $13.1 billion as of March 31, 2021 to $13.0 billion as of March 31, 2022. The decrease in assets and deferred outflows of resources of $77.2 million was the net result of several factors, which include a decrease in cash and cash equivalents of $399.0 million, an increase in short-term financings receivable of $467.3 million, an increase in direct financings receivable of $67.0 million, a decrease in bonds receivable of $327.0 million, a decrease in interest receivable on bonds and direct financings of $6.0 million, as well as an increase in investments of $123.4 million.

The Corporation's total liabilities and deferred inflows of resources decreased $309.7 million from $6.0 billion as of March 31, 2021 to $5.7 billion as of March 31, 2022. The decrease in liabilities and deferred inflows of resources of $309.7 million was primarily the net result of several factors, which include a decrease in bonds payable of $314.9 million, a decrease in accounts payable and accrued expenses of $6.9 million, a decrease in accrued interest subsidy and interest on bonds of $7.1 million, an increase in deferred inflows of resources related to pensions and OPEB of $7.1 million, as well as an increase in other liabilities of $12.0 million.

The Corporation's total net position increased $232.5 million from $7.1 billion to $7.3 billion.

2021

The Corporation's total assets and deferred outflows of resources decreased $141.2 million from $13.3 billion as of March 31, 2020 to $13.1 billion as of March 31, 2021. The decrease in assets and deferred outflows of resources of $141.2 million was the net result of several factors, which include an increase in cash and cash equivalents of $259.2 million, a decrease in short-term financings receivable of $18.8 million, an increase in direct financings receivable of $143.0 million, a decrease in bonds receivable of $158.8 million, a decrease in due from NYS appropriation bonds receivable of $16.4 million, as well as a decrease in investments of $345.0 million.

The Corporation’s total liabilities and deferred inflows of resources decreased $143.5 million from $6.2 billion as of March 31, 2020 to $6.0 billion as of March 31, 2021. The decrease in liabilities and deferred inflows of resources of $143.5 million was primarily the net result of several factors, which include a decrease in bonds payable of $168.0 million, an increase in accounts payable and accrued expenses of $19.5 million, a decrease in accrued interest subsidy and interest on bonds of $4.4 million, a decrease in appropriation bonds payable of $16.4 million, as well as an increase in other liabilities of $26.7 million.

The Corporation’s total net position increased $2.3 million, remaining at $7.1 billion as of March 31, 2021.

Changes in Net Position Analysis

2022

During the year ended March 31, 2022, the Corporation recorded an operating loss of $41.4 million as compared to an operating loss of $49.6 million during the year ended March 31, 2021. The decrease in operating loss of $8.2 million was primarily the net result of a $26.3 million decrease in operating expenses combined with a $18.1 million decrease in operating revenue. Operating expenses decreased primarily due to a decrease in interest expense on bonds payable of $15.1 million, a decrease in administration costs of $9.4 million, as well as a decrease in interest subsidy provided of $1.8 million. Operating revenue decreased primarily due to a decrease in interest income on bonds and direct financings of $17.6 million, as well as a decrease in bond financing and administrative fees of $4.0 million, which was off-set by an increase in administrative grant revenues of $3.4 million. The decrease in bond financing and administrative fees was driven by a one-time positive adjustment in the prior period and is not indicative of a decline in ongoing fee income

The Corporation recorded project grant revenues in its statements of revenues, expenses, and changes in net position of $296.2 million during the year ended March 31, 2022 as compared to $7.4 million for the year ended March 31, 2021. The increase in project grant revenues of $288.8 million is due to an increase in the amount of funds that the Corporation drew from the CWSRF and DWSRF capitalization grants year over year. Also included in nonoperating revenues and expenses was a decrease in investment income of $58 million and a increase in grants disbursed of $8.8 million. Contributing to the decrease in investment income was an unrealized loss in the change in fair value on our long-term investment portfolio of $41.0 million for the year ended March 31, 2022 as compared to an unrealized gain of $10.0 million for the year ended March 31, 2021.

The Corporation recorded an increase in net position of $232.5 million for the year ended March 31, 2022 as compared to $2.3 million for the year ended March 31, 2021. The increase in the change in net position of $230.2 million year over year is primarily the result of a delay in drawing project grant revenues from the federal capitalization grant awards in the year ending March 31, 2021.

2021

During the year ended March 31, 2021, the Corporation recorded an operating loss of $49.6 million as compared to an operating loss of $46.9 million during the year ended March 31, 2020. The increase in operating loss of $2.7 million was primarily the net result of a $19.9 million decrease in operating expenses combined with a $22.6 million decrease in operating revenue. Operating expenses decreased primarily due to a decrease in interest expense on bonds payable of $5.0 million, a decrease in principal forgiveness of $2.4 million, as well as a decrease in interest subsidy provided of $12.4 million. Operating revenue decreased primarily due to a decrease in bond financing and administrative fees of $9.3 million, as well as a decrease in interest income on bonds and direct financings of $16.2 million, which was off-set by an increase in administrative grant revenues of $2.8 million. The decrease in bond financing and administrative fees was driven by a one-time positive adjustment in the prior period and is not indicative of a decline in ongoing fee income.

The Corporation recorded project grant revenues in its statements of revenues, expenses, and changes in net position of $7.4 million during the year ended March 31, 2021 as compared to $287.1 million for the year ended March 31, 2020. The decrease in project grant revenues of $279.7 million is due to a decrease in the amount of funds that the Corporation drew from the CWSRF and DWSRF capitalization grants year over year. Also included in nonoperating revenues and expenses was a decrease in investment income of $39.5 million and a decrease in grants disbursed of $25.0 million. Contributing to the decrease in investment income was an unrealized gain in the change in fair value on our long-term investment portfolio of $10.0 million for the year ended March 31, 2021 as compared to an unrealized gain of $22.5 million for the year ended March 31, 2020.

The Corporation recorded an increase in net position of $2.3 million for the year ended March 31, 2021 as compared to $299.2 million for the year ended March 31, 2020. The decrease in the change in net position of $296.9 million year over year is primarily the result of a delay in drawing project grant revenues from the federal capitalization grant awards.

Liquidity

For fiscal year 2021/2022, the Corporation expects to recover its operating costs through fees charged to clients for various services as well as through the use of the administrative portion of the CWSRF and DWSRF capitalization grants.

SRF fees are assessed and collected to cover SRF program administration costs. Fees collected and not expended against current administration costs are held in permitted investments for future use.

The Corporation issues special obligation bonds under the Clean Water and Drinking Water State Revolving Funds to provide financial assistance to eligible recipients for water pollution and drinking water projects (as outlined in each program’s respective Intended Use Plan). The financial assistance is provided pursuant to a financing agreement between EFC and each recipient in which the Corporation agrees to purchase and the recipient agrees to sell its bonds in the principal amount of its financing to EFC. Payment on these bonds will serve as the primary security for EFC’s bonds.

Contacting the New York State Environmental Facilities Corporation

This financial report is designed to provide interested parties with a general overview of the Corporation's finances and to demonstrate its accountability for funds received and expended. If you have questions about this report or would like additional information regarding EFC's programs, please visit the Corporation's website at www.efc.ny.gov.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Statements of Net Position

March 31, 2022 and 2021

Assets and Deferred Outflows of Resources		**2022**	**2021**
Current assets:			
Cash and cash equivalents	$	24,710,111	28,720,753
Contractual services and fees receivable		44,129	53,928
Restricted assets:			
Cash and cash equivalents		281,841,452	676,859,254
Interest receivable on bonds and direct financings		70,598,658	76,603,799
Interest receivable on cash and cash equivalents and investments		14,403,443	15,335,460
Annual fees receivable		13,483,172	14,090,262
Prepaid expense		885,000	885,000
Short-term financings receivable, net		463,641,970	384,944,824
Direct financings receivable		125,142,277	110,527,184
Bonds receivable		385,250,673	385,642,066
Other restricted funds		2,306,971	2,684,098
Total current assets		1,382,307,856	1,696,346,628
Noncurrent assets:			
Restricted assets:			
Investments		1,970,202,411	1,846,847,403
Short-term financings receivable, net		898,694,120	510,107,326
Direct financings receivable		2,914,022,667	2,861,665,001
Bonds receivable		5,867,982,077	6,194,640,113
Total noncurrent assets		11,650,901,275	11,413,259,843
Total assets		13,033,209,131	13,109,606,471
Deferred outflows of resources related to pensions and OPEB		14,485,107	15,290,875
Total assets and deferred outflows of resources	$	13,047,694,238	13,124,897,346

(Continued)

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Statements of Net Position

March 31, 2022 and 2021

Liabilities, Deferred Inflows of Resources and Net Position	2022	2021
Current liabilities:		
Accrued interest on bonds	$ 67,224,031	72,298,870
Accrued interest subsidy	27,409,482	29,421,129
Bonds payable	317,730,000	318,610,000
Other restricted funds	2,306,971	2,684,098
Accounts payable and accrued expenses	22,546,795	29,368,117
Debt service funds payable	5,224,864	5,464,722
Other liabilities	97,256,744	85,306,486
Other post-employment benefits	1,091,973	1,031,934
Total current liabilities	540,790,860	544,185,356
Noncurrent liabilities:		
Bonds payable	5,091,413,455	5,405,428,593
Other post-employment benefits	48,654,146	48,004,189
Total noncurrent liabilities	5,140,067,601	5,453,432,782
Total liabilities	5,680,858,461	5,997,618,138
Deferred inflows of resources related to pensions and OPEB	17,696,759	10,630,620
Total liabilities and deferred inflows of resources	5,698,555,220	6,008,248,758
Net position:		
Restricted for revolving loan fund programs	7,340,704,969	7,109,162,069
Unrestricted	8,434,049	7,486,519
Total net position	$ 7,349,139,018	7,116,648,588
Total liabilities, deferred inflows of resources and net position	$ 13,047,694,238	13,124,897,346

See accompanying notes to basic financial statements.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Statements of Revenues, Expenses, and Changes in Net Position

Years ended March 31, 2022 and 2021

		2022	2021
Operating revenues:			
Interest income on bonds and direct financings receivable	$	290,051,764	307,660,711
Bond financing and administrative fees		15,015,373	19,029,108
Administrative grant revenues		12,393,304	9,027,139
Contract service fees		10,192	16,116
Other revenues		268,373	118,271
Total operating revenues		317,739,006	335,851,345
Operating expenses:			
Interest expense on bonds payable		248,952,278	264,021,594
Interest subsidy provided		94,999,713	96,838,097
Administrative costs		15,193,731	24,555,342
Total operating expenses		359,145,722	385,415,033
Operating loss		(41,406,716)	(49,563,688)
Nonoperating revenues:			
Project grant revenues		296,242,996	7,405,819
Investment income		12,715,976	70,682,737
State assistance payments revenue		167,963,459	111,011,970
Total nonoperating revenues		476,922,431	189,100,526
Nonoperating expenses:			
Grants disbursed		35,061,826	26,244,923
State assistance payments expense		167,963,459	111,011,970
Total nonoperating expenses		203,025,285	137,256,893
Increase in net position		232,490,430	2,279,945
Beginning net position		7,116,648,588	7,114,368,643
Ending net position	$	7,349,139,018	7,116,648,588

See accompanying notes to basic financial statements.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Statements of Cash Flows

Years ended March 31, 2022 and 2021

		2022	2021
Cash flows from operating activities:			
Bond financing fees and administrative grant revenue	$	28,035,758	34,478,971
Personal services expense		(8,436,214)	(8,272,649)
Fringe benefits expense		(2,470,901)	(4,774,297)
Other administrative expenses		(10,397,934)	7,840,634
Other, net		20,090,517	24,034,649
Net cash provided by operating activities		26,821,226	53,307,308
Cash flows from noncapital financing activities:			
Proceeds from bonds issued		429,285,000	294,495,000
Principal payments on bonds payable		(744,180,138)	(462,451,166)
Interest paid on bonds payable		(254,027,117)	(266,738,146)
New York State appropriation bond payments received		—	16,405,000
Payments on New York State appropriation bonds		—	(16,405,000)
Grants disbursed		(35,061,826)	(26,244,923)
Contributions received from the U.S. Environmental Protection Agency		267,585,614	6,525,865
Contributions received from New York State		28,657,382	879,954
Net cash used in noncapital financing activities		(307,741,085)	(453,533,416)
Cash flows from investing activities:			
Net proceeds from maturities of investments		(123,355,009)	345,037,811
Interest income on investments		13,647,993	74,827,535
Bonds purchased		(555,688,252)	(431,404,743)
Bonds repayments received		882,737,694	590,164,716
Short-term financing disbursements		(848,462,603)	(634,031,004)
Short-term financing repayments received		381,178,664	652,795,800
Direct financings issued		(236,477,457)	(256,796,362)
Direct financing repayments received		169,504,699	113,761,654
Interest income on bonds and direct financings receivable		296,056,905	311,423,537
Interest subsidy provided		(97,011,361)	(98,539,951)
Debt service funds received		2,664,744	(117,018)
Debt service funds paid		(2,904,602)	(7,685,333)
Net cash (used in) provided by investing activities		(118,108,585)	659,436,642
Net (decrease) increase in cash and cash equivalents		(399,028,444)	259,210,534
Cash and cash equivalents, beginning of year		705,580,007	446,369,473
Cash and cash equivalents, end of year	$	306,551,563	705,580,007

(Continued)

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Statements of Cash Flows

Years ended March 31, 2022 and 2021

		2022	2021
Reconciliation of operating loss to net cash provided by operating activities:			
Operating loss	$	(41,406,716)	(49,563,688)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Interest income on bonds and direct financings receivable		(290,051,764)	(307,660,711)
Interest expense		248,952,278	264,021,594
Interest subsidy provided		94,999,713	96,838,097
Changes in assets and liabilities that provide (use) cash:			
Contractual services and fees receivable		9,799	6,430,635
Annual fees receivable		607,090	(24,027)
Accounts payable and accrued expenses		(6,821,322)	19,512,962
Other liabilities		19,822,152	23,916,375
Other post-employment benefits		709,996	(163,929)
Net cash provided by operating activities	$	26,821,226	53,307,308

See accompanying notes to basic financial statements.

(1) General

(a) Organization

The New York State Environmental Facilities Corporation (EFC or the Corporation) is a public benefit corporation formed pursuant to the New York State Environmental Facilities Corporation Act (Chapter 744 of the Laws of New York State of 1970, as amended). EFC is a component unit of New York State (State) and is exempt from Federal, State, and local income taxes. EFC is included in the State's basic financial statements. The Corporation is governed by a board of directors consisting of seven members, three of whom are required to be certain State officials – the Commissioner of Environmental Conservation (who is also designated as the chair), the Commissioner of Health and the Secretary of State. The four remaining directors are appointed by the Governor and confirmed by the State Senate.

(b) Description of Business

EFC provides low-cost capital and expert technical assistance to municipalities, businesses and State agencies for environmental projects in New York State. These activities include the administration of the Clean Water State Revolving Fund (CWSRF) program and the Drinking Water State Revolving Fund (DWSRF) programs, administering State Grant programs, assisting businesses finance environmental projects through the Industrial Finance Program (IFP); and helping municipalities, State agencies and businesses comply with environmental laws and regulations through various programs administered by EFC.

The CWSRF and the DWSRF are the Corporation's largest programs. The CWSRF provides low-interest rate financing terms and in certain cases offers loan guarantees, principal forgiveness and grants to eligible recipient entities for projects that reduce, eliminate or prevent water pollution. The DWSRF provides low-interest rate financing terms and in certain cases offers principal forgiveness, as well as hardship grants for publicly and privately owned community water system projects that provide safe, affordable drinking water.

The New York State Clean Water Infrastructure Act of 2017 (Act) invests $2.5 billion in clean and drinking water infrastructure projects and water quality protection across New York. It provides at least $1 billion for the New York State Water Infrastructure Improvement Act of 2017 (WIIA), which authorized EFC to provide grants to assist municipalities in funding water quality infrastructure. WIIA grants are available for both drinking water and sewage treatment works (clean water) projects. As part of the Act, the New York State Intermunicipal Water Infrastructure Grants Program (IMG) authorizes EFC to provide at least $150 million in grants to assist municipalities in support of intermunicipal water quality infrastructure projects. The Emerging Contaminates (EC) Grant Program provides funds to combat emerging contaminants, such as PFOA, PFOS and 1, 4-dioxane, with system upgrades and innovative technologies. An additional $2 billion in state appropriations have been made available for drinking water and clean water infrastructure capital projects, including $500 million in the fiscal year 2022 Executive Budget.

(Continued)

The Septic System Replacement Fund was established as part of the Act and provides a source of funding for the replacement of cesspools and septic systems in New York State and seeks to reduce the environmental and public-health impacts associated with the discharge of effluent from cesspools and septic systems on groundwater used as drinking water, as well as threatened or impaired water bodies. The program provides grants for eligible septic system projects.

The Emergency Financial Assistance program was also established as part of the Act. It authorizes expedited emergency financial assistance to municipalities for wastewater and drinking water infrastructure emergencies. The amount of financial assistance provided to any municipality will be based on the reasonable costs immediately necessary to address the emergency. The financial assistance is a loan to be repaid within one year.

The IFP provides tax-exempt and taxable conduit financings to private entities for a variety of environmental projects that manage waste and, control pollution, and to build drinking water and wastewater treatment facilities.

EFC provides administrative and technical assistance to private and public sector clients to help them with administering their programs including:

1. A contract with the New York City Department of Environmental Protection (DEP) to administer Watershed Programs. Technical, financial and legal assistance is provided to DEP's Regulatory Upgrade Program;

2. The East of Hudson Septic System Rehabilitation Reimbursement Program contract with New York City DEP provides grants to reduce adverse water quality impacts from failing residential septic systems in the Kensico, West Branch, Boyd Corners, Cross River and Croton Falls portions of the New York City Water Supply Watershed Basin;

3. The Small Business Environmental Assistance Program (SBEAP) assists business owners in reducing discharges of pollutants into the environment by providing technical guidance;

4. The Clean Vessel Assistance Program (CVAP) provides grants to assist recipients install pump out and dump station facilities to receive sewage from recreational marine vessels. The program also works to raise boater awareness regarding the benefits, use, and availability of pump out stations;

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The operations of the Corporation are accounted for using the accrual basis of accounting in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred. The more significant accounting policies are described below.

(b) Revenue Recognition and Accounts Receivable

The Corporation recognizes revenue when earned. Project grant revenues under capitalization grants for the operation of the State Revolving Fund (SRF) programs are recognized when reimbursable expenses are incurred for financings originated.

(c) Cash and Cash Equivalents

EFC considers certificates of deposit, repurchase agreements, money market funds, U.S. Treasury Bills and Federal Home Loan Bank Discount Notes, with remaining maturities of three months or less at the time of purchase, to be cash equivalents. At March 31, 2022 and 2021, the cash and cash equivalents, excluding U.S. Treasury Bills, U.S. Treasury Money Market Funds and Federal Home Loan Bank Discount Notes, are fully insured or collateralized with securities in the Corporation's name. U.S. Treasury Bills are uninsured and not collateralized, but are held in trust accounts in EFC's name and are backed by the full faith and credit of the Federal government.

(d) Investments

EFC's investment guidelines permit investment of funds in obligations of, or guaranteed by, the United States of America or New York State, as well as in time deposits, guaranteed investment contracts, repurchase agreements and other permitted investments such as qualified municipal obligations. All cash, time deposits, guaranteed investment contracts and repurchase agreements are collateralized by securities (obligations of, or guaranteed by, the United States of America or New York State and any FDIC coverage) having a fair value of not less than 102% of the amount currently on deposit or in accordance with their respective agreement. At March 31, 2022 and March 31, 2021, EFC's guaranteed investment contracts require collateral be maintained at 113% of the investment value. From time to time, the actual collateral pledged may fall below the contractual requirement of the guaranteed investment contracts. Upon notice to the investment providers, additional collateral is pledged to satisfy the contractual requirements.

Investments are recorded at fair value or amortized cost. Guaranteed investment contracts and structured debt obligations (Tennessee Valley Authority (TVA) and Inter-American Development Bank (IADB)) are considered nonparticipating contracts and are therefore recorded at cost. Municipal obligations are recorded at fair value obtained from independent pricing services. United States government backed or sponsored securities with original maturities at the time of purchase of one year or less are recorded at cost. EFC requires delivery to its custodian (agent) or other acceptable financial institutions of all securities purchased and collateral for guaranteed investment contracts, certificates of deposit and repurchase agreements, regardless of the seller institution.

The Corporation applies GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Except for investments reported at net asset value (NAV) or its equivalent as a practical expedient to estimate fair value, fair value is measured using three levels:

Level 1: Investments include cash and money market funds, equity and fixed income securities with observable market prices. Fair value is readily determinable based on quoted market prices in active markets for those securities.

Level 2: Investments whose inputs are other than quoted prices in active markets that are observable either directly or indirectly and fair value is determined through the use of models or other valuation methodologies.

Level 3: Investments have significant unobservable inputs. The inputs into the determination of fair value are based on the best information available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

(e) Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and any differences are reflected in the statements of revenues, expenses, and changes in net position in the year of the change.

The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in the statements of revenues, expenses and changes in net position in the year of the change.

(f) Net Position

The Corporation's net position is classified in the following categories: restricted for revolving loan fund programs, consisting of assets less related liabilities restricted for the operation of the CWSRF and DWSRF programs; and unrestricted, consisting of assets reduced by related liabilities that are not classified as restricted. If both restricted and unrestricted resources are available for use, restricted resources are generally used first.

(g) Operating and Nonoperating Revenues and Expenses

The Corporation distinguishes operating revenues and expenses from nonoperating items in the preparation of its financial statements. The principal operating revenues are generated from the interest income earned from borrowings under the long-term loan programs and fees related to these programs. The Corporation's operating expenses include interest expense on bonds payable, interest subsidy provided, principal forgiveness and expenses related to the administration of EFC's activities. The principal nonoperating revenues are generated from project grant revenues, investment income, and other none change revenues. Nonoperating expenses include program grants.

(Continued)

(h) Net Pension Liability

EFC participates in a cost sharing multiple employer pension plan, the New York State and Local Employees' Retirement System (System). GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) GASB 68 requires that a portion of the Plan's net pension liability (asset) as well as deferred inflows and outflows of resources from pension activities be reflected in the reported amounts on the Corporation's statement of net position.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to EFC's participation in the System, as well as the related pension expense, information about the fiduciary net position of the System, and additions to/deductions from EFC's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments are recognized when due and payable in accordance with the statutes governing the System. Investments of the System are reported at fair value.

(i) Other Post-Employment Benefits

Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP) for eligible employees who retire directly from EFC employment with a minimum of 10 years of service with NYS Civil Service, and a minimum of one year with EFC immediately preceding retirement. The plan is considered a single employer plan

EFC's annual other post-employment benefit (OPEB) expense is calculated based on an amount actuarially determined in accordance with the parameters of GASB Statement 75. The total OPEB liability represents the portion of actuarial present value of projected benefit payments attributable to past periods of member service

(3) State Revolving Funds

The CWSRF program was created as a result of passage of the Federal Water Quality Act of 1987 and New York State's enactment of Chapter 565 of the Laws of 1989, that established. EFC is responsible for the execution and oversight of the CWSRF in New York State. The CWSRF provides financial support for needed wastewater infrastructure improvements. The program is administered jointly by EFC and the New York State Department of Environmental Conservation (DEC).

The DWSRF program was created as a result of passage of the 1996 Amendments to the Safe Drinking Water Act by the U.S. Congress and New York State's enactment of Chapter 413 of the Laws of 1996 (Clean Water/Clean Air Bond Act). The DWSRF provides financial support to public and private water systems to undertake needed drinking water infrastructure improvements. The program is administered jointly by EFC and the New York State Department of Health (DOH).

EFC's primary activities with regard to the CWSRF and DWSRF include providing financial assistance for eligible projects, the issuance of debt in the capital markets for the purpose of providing financial assistance, the investment of program moneys, and the management and coordination of the programs.

SRF program capitalization grants are issued from the U.S. Environmental Protection Agency (USEPA) to New York State, for which the State is required to provide 20% in matching funds. New York State distributes these Federal and State moneys to DEC and DOH who in turn distribute these moneys to EFC to provide financial assistance to eligible recipients. EFC invests the Federal and State capitalization grant moneys and uses interest earnings on these and other funds to subsidize by one-third or one-half the interest on the financings it provides. Financial assistance under the SRF program may be provided directly from the grant funds, or from the proceeds of the issuance of bonds, repayments, and/or interest earnings.

Funds and accounts pertaining to the SRF programs are limited to specific uses by laws and regulations as well as Capitalization Grant and Operating Agreements entered into between USEPA and the State. As a result of these limitations on uses, these funds are classified as restricted on the statements of net position.

Reserve Allocation and Subsidy: In connection with certain financings, amounts received from the Federal government through the USEPA and New York State are drawn and deposited in an unallocated equity account. As an eligible recipient expends funds for costs of issuance, repayment of debt, refinancing of debt, defeasance of debt, and for acquisition and/or construction these funds are then transferred to the recipient in an amount equal to one-third or one-half of the expenditure from the unallocated equity account to the debt service reserve fund for the recipient. As a recipient repays its financing, a proportionate amount in the applicable debt service reserve fund will be redeposited in the unallocated equity account of the appropriate SRF. The earnings on the debt service reserve funds are utilized as subsidy to reduce the interest costs that recipients pay on their financing.

Committed Subsidies: In most financings, the SRFS provide contractual commitments to recipients of leveraged financings to provide specified amounts of interest subsidies from earnings on reserve allocations or other SRF program resources or a combination of both. In general, it is expected that certain leveraged financings will not have any associated reserve allocations. Nevertheless, EFC utilizes other available SRF monies to provide recipients with an interest subsidy generally comparable to the subsidy that EFC provides from earnings on reserve allocations.

(4) Cash and Cash Equivalents and Investments

EFC's cash equivalents and investments include cash equivalents and investments that are insured or collateralized, that are backed by the full faith and credit of the Federal government or invested in securities of a U.S. Government Sponsored Enterprise. As of March 31, 2022, cash and cash equivalents and investments held by the Corporation and the associated credit risks and maturities were as follows:

Investment type	Credit risk range	Cost/ fair value	Investment maturities in years: Less than 1 year	1 – 5 years	6 – 10 years	More than 10 years
Non-U.S. government backed:						
Guaranteed investment contracts	A – AAA	$ 386,825,520	—	—	20,844,167	365,981,353
Municipal obligations	BBB – AAA	542,688,934	28,735,743	87,450,342	126,183,531	300,319,318
U.S. government backed/sponsored:						
U.S. Treasury bills		1,002,291,544	1,002,291,544	—	—	—
Structured debt obligations		247,411,604	31,583,528	126,789,916	72,763,018	16,275,143
		2,179,217,602	1,062,610,814	214,240,258	219,790,716	682,575,814
Unrestricted cash and cash equivalents		24,710,111	—	—	—	—
Cash deposits and money markets with restricted net position		72,826,261	—	—	—	—
Total cash and cash equivalants and investments		$ 2,276,753,974	1,062,610,814	214,240,258	219,790,716	682,575,814

The following table presents the Corporation's investments that are carried at fair value as of March 31, 2022, based on the fair value hierarchy:

Investment type	Total	Level 1	Level 2	Level 3
Investments at fair value:				
Municipal obligations	$ 542,688,934	—	542,688,934	—
Total investments by fair value	$ 542,688,934	—	542,688,934	—

As of March 31, 2021, cash and cash equivalents and investments (excluding cash deposits and money market accounts) held by the Corporation and the associated credit risks and maturities were as follows:

Investment type	Credit risk range	Cost/ fair value	Investment maturities in years: Less than 1 year	1 – 5 years	6 – 10 years	More than 10 years
Non-U.S. government backed:						
Guaranteed investment contracts	A – AAA	$ 419,272,883	32,447,363	148,483,605	135,273,689	103,068,226
Municipal obligations	BBB – AAA	611,086,548	4,938,943	131,107,641	141,742,655	333,297,309
U.S. government backed/sponsored:						
U.S. Treasury bills		902,758,807	902,758,807	—	—	—
Federal home loan bank discount notes		259,493,913	259,493,913	—	—	—
Structured debt obligations		279,051,813	31,640,208	135,987,956	81,755,882	29,667,767
		$ 2,471,663,964	1,231,279,234	415,579,202	358,772,226	466,033,302
Unrestricted cash and cash equivalents		28,720,753	—	—	—	—
Cash deposits and money markets with restricted net position		52,042,693	—	—	—	—
Total cash and cash equivalants and investments		2,552,427,410	1,231,279,234	415,579,202	358,772,226	466,033,302

The following table presents the Corporation's investments that are carried at fair value as of March 31, 2021, based on the fair value hierarchy:

Investment type		Total	Level 1	Level 2	Level 3
Investments at fair value:					
Municipal obligations	$	611,086,548	—	611,086,548	—
Total investments by fair value	$	611,086,548	—	611,086,548	—

With regard to the investments above, the Corporation has an investment policy that limits its exposure to losses arising from credit risk, interest rate risk, custodial credit risk, and concentration of credit risk.

Credit risk is the risk that an issuer will not fulfill its obligations. New York State law limits the investments that the Corporation can make, which minimizes the Corporation's exposure to credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Corporation's policy for managing this risk is to hold investment securities to maturity, at which time the fair value of the investment is equal to its stated maturity value.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to perform on a transaction, the Corporation will not be able to recover the value of investment securities that are in the possession of an outside party. In order to manage this risk, the Corporation's guaranteed investment contracts are collateralized and held by a third party.

Other than U.S. government and U.S. Government Guaranteed/Sponsored securities, New York State General Obligation securities and New York State Personal Income Tax securities, EFC's investment policies limit any single obligor's uncollateralized investments to no more than 15% of the combined SRF programs' long-term nonpurpose, unpledged investment buy program. Concentration of credit risk in EFC's guaranteed investment contracts portfolio is minimized by obligors providing collateralization of at least 113% of invested funds to a third party custodian for 2022 and 2021.

As of March 31, 2022, the Corporation had four providers of guaranteed investment contracts, of which all were obligated for more than 5% of the total investment contract portfolio. The four providers were Societe General with $176.3 million or 45.6% of the portfolio, Bank of America with $98.6 million or 25.5% of the portfolio, JP Morgan Chase with $87.3 million or 22.6% of the portfolio, and Citigroup with $24.7 million or 6.4% of the portfolio.

As of March 31, 2021, the Corporation had four providers of guaranteed investment contracts, of which all were obligated for more than 5% of the total investment contract portfolio. The four providers were Societe General with $189.6 million or 45.2% of the portfolio, Bank of America with $105.0 million or 25.0% of the portfolio, JP Morgan Chase with $97.5 million or 23.3% of the portfolio, and Citigroup with $27.1 million or 6.5% of the portfolio.

(5) Short-Term Financings Receivable

Short-term financings receivable are provided with SRF capitalization grant monies, repayments, state grant monies, and/or interest earnings. This program assists eligible recipients with cash flow needs through project design and construction. The program provides short-term (generally three to five years) interest free and/or market rate financings to eligible recipients which have completed the facility planning process but in most instances are not ready to apply for long term (up to thirty years) financing.

Short-term financings receivable amounts are as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2022	$	1,066,137,618	296,198,473	1,362,336,091
2021		776,763,127	118,289,023	895,052,150

Short-term financings receivable mature as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2023	$	395,942,945	67,699,025	463,641,970
2024		432,646,689	32,057,944	464,704,633
2025		85,797,971	9,253,096	95,051,067
2026		137,370,270	186,237,043	323,607,313
2027		14,379,743	951,365	15,331,108
	$	1,066,137,617	296,198,473	1,362,336,090

(6) Direct Financings Receivable

Direct financings receivable are provided with SRF capitalization grant monies, repayments and/or interest earnings. Direct financings receivable have been issued with interest rates that range from 0% to 4.87% and mature through the year 2051.

Direct financings receivable mature as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2023	$	91,429,462	33,712,815	125,142,277
2024		87,665,004	32,789,767	120,454,771
2025		76,325,620	30,768,338	107,093,958
2026		77,228,582	30,797,865	108,026,447
2027		77,983,621	29,961,867	107,945,488
2028–2032		521,099,484	150,360,324	671,459,808
2033–2037		426,018,928	145,742,216	571,761,144
2038–2042		429,444,645	125,792,949	555,237,594
2043–2047		338,271,512	96,983,706	435,255,218
2048–2052		180,017,045	56,771,194	236,788,239
	$	2,305,483,903	733,681,041	3,039,164,944

(7) SRF Bonds Receivable and Bonds Payable

EFC issues special obligation bonds under the SRF programs and in most cases these bond proceeds together with equity funds are used to provide financial assistance to eligible recipients. The financial assistance is provided pursuant to a financing agreement between EFC and each recipient in which EFC agrees to purchase and the recipient agrees to sell to EFC its bonds in the principal amount of its financing. These financing agreements serve as the primary security for EFC's bonds. Additionally, SRF program debt service reserve funds may be available to collateralize the outstanding bonds. The principal and interest payments of the project financing agreements are structured to be sufficient to pay the full principal and interest payments on EFC's bond obligations. EFC's bonds are issued subject to the terms of a Master Trust Agreement, a Financing Indenture of Trust, and a Supplemental Financing Indenture of Trust that is issued for each bond issue.

Bond proceeds net of issuance costs, and in most cases equity funds, are deposited in construction funds simultaneously with the issuance and sale of the SRF revenue bonds and are generally held for the recipients by the SRF trustee under a third party agreement. The construction fund proceeds are recorded on the recipients' financial statements and are not included in EFC's financial statements. Moneys available and on deposit in the construction funds were $52.9 million at March 31, 2022 and $53.6 million at March 31, 2021.

The bonds of each series are not general obligations of EFC or of New York State. Bonds are payable solely from payments made by each recipient to the trustee and any other pledged funds held by the trustee.

Certain bond series provide for optional redemption provisions.

The following is a schedule of CWSRF bonds receivable outstanding at March 31, 2022 and March 31, 2021:

Bond issue	Range of interest rates	Year of maturity	March 31 2022	March 31 2021
Series 2004C, 4/7/04	3.375–5.25	2033	$ 59,810,000	63,970,000
Series 2010B, 2/11/10	5.707–5.807	2039	111,440,000	111,440,000
Series 2011A, 3/17/11	5.00	2021	—	140,000
Series 2011B, 6/17/11	5.00	2041	—	265,179,800
Series 2011C, 7/21/11	3.00–5.00	2041	—	92,881,000
Series 2012A, 5/31/12	2.00–5.00	2029	179,905,000	206,215,000
Series 2012B, 6/21/12	3.00–5.00	2042	74,485,000	85,785,884
Series 2012C, 6/21/12	2.005–3.684	2029	10,765,000	12,945,000
Series 2012D, 7/12/12	3.00–5.00	2028	100,370,000	101,855,000
Series 2012E, 11/15/12	3.00–5.00	2042	107,477,564	115,952,564
Series 2012F, 11/15/12	1.874–2.806	2024	10,934,000	15,730,000

Bond issue	Range of interest rates	Year of maturity	March 31 2022	March 31 2021
(continued)				
Series 2013A, 7/11/13	3.00–5.00	2033	$ 251,975,000	269,960,000
Series 2013B, 8/1/13	3.50–5.00	2043	186,713,235	197,792,971
Series 2014A, 3/27/14	2.00–5.00	2034	234,310,000	249,580,000
Series 2014B, 7/2/14	2.00–5.00	2044	296,737,269	314,072,269
Series 2015A, 7/2/15	3.00–5.00	2045	164,795,000	171,140,000
Series 2015B, 8/20/15	3.00–5.00	2045	131,985,000	137,355,000
Series 2015C, 8/20/15	1.90–3.82	2030	27,310,000	30,430,000
Series 2015D, 8/20/15	3.00–5.00	2037	208,920,474	227,342,474
Series 2016A, 6/29/16	2.00–5.00	2046	320,065,000	332,185,000
Series 2016B, 9/22/16	3.00–5.00	2046	114,017,761	118,557,761
Series 2016C, 9/22/16	1.211–3.113	2039	24,845,000	26,920,000
Series 2017A, 4/13/17	5.00	2046	362,040,000	385,760,000
Series 2017B, 4/13/17	1.658–3.916	2036	257,545,000	274,465,000
Series 2017C, 11/9/17	3.00–5.00	2047	176,545,000	183,925,000
Series 2017E, 12/14/17	3.00–5.00	2047	222,050,000	226,190,000
Series 2018A, 8/2/18	3.00–5.00	2030	199,875,000	238,090,000
Series 2018B, 11/29/18	3.00–5.00	2048	137,510,000	139,850,000
Series 2019A, 6/13/19	3.00–5.00	2049	239,900,000	247,860,000
Series 2019B, 10/8/19	3.00–5.00	2038	194,275,000	196,495,000
Series 2020A, 4/8/20	4.00–5.00	2049	165,545,000	171,385,000
Series 2020B, 12/17/20	3.00–5.00	2050	182,582,071	190,637,721
Series 2021A, 6/30/21	3.00–5.00	2041	205,725,000	—
Series 2021B, 12/9/21	4.00–5.00	2051	171,667,489	—
			$ 5,132,119,863	5,402,087,444
Beginning balance			$ 5,402,087,444	5,509,073,018
Bonds issued			378,757,489	362,022,721
Bonds retired			(648,725,070)	(469,008,295)
Ending balance			$ 5,132,119,863	5,402,087,444

The New York City Municipal Water Finance Authority makes up 62.0% of the CWSRF bonds receivable at March 31, 2022 and 63.3% at March 31, 2021.

Included in CWSRF bonds payable are unamortized bond premiums of $113,608,182 at March 31, 2022 and $108,141,450 at March 31, 2021.

The following is a schedule of DWSRF bonds receivable outstanding at March 31, 2022 and March 31, 2021:

Bond issue	Range of interest rates	Year of maturity	March 31 2022	March 31 2021
Series 2004C, 4/7/04	4.50–5.00	2026	$ 1,440,000	1,790,000
Series 2010B, 2/11/10	4.469–5.707	2029	56,545,000	62,195,000
Series 2011A, 3/17/11	4.00–5.00	2022	800,000	3,678,033
Series 2011B, 6/17/11	2.00–5.00	2031	—	106,591,100
Series 2011C, 7/21/11	4.00–5.00	2041	—	68,545,695
Series 2012A, 5/31/12	5.00	2022	400,000	2,425,000
Series 2012B, 6/21/12	3.00–5.00	2032	4,424,951	5,698,080
Series 2012E, 11/15/12	3.00–5.00	2032	6,445,000	7,335,000
Series 2013A, 7/11/13	5.00	2026	4,795,000	6,810,000
Series 2013B, 8/1/13	3.50–5.00	2042	26,106,147	30,674,801
Series 2014A, 3/27/14	5.00	2026	7,320,000	9,430,000
Series 2014B, 7/2/14	2.00–5.00	2044	18,947,820	23,127,820
Series 2015A, 7/2/15	4.00–5.00	2027	8,670,000	10,355,000
Series 2015B, 8/20/15	5.00	2042	9,500,000	9,880,000
Series 2015D, 8/20/15	3.00–5.00	2036	38,776,184	43,497,184
Series 2016A, 6/29/16	2.00–5.00	2046	113,320,000	117,035,000
Series 2016B, 9/22/16	3.00–5.00	2046	47,305,000	49,025,000
Series 2017A, 4/13/17	3.50–5.00	2046	121,760,000	125,675,000
Series 2017B, 4/13/17	1.658–3.366	2029	11,225,000	13,285,000
Series 2017C, 11/9/17	5.00	2047	3,630,000	3,745,000
Series 2017D, 11/9/17	1.885–3.751	2047	12,935,000	13,270,000
Series 2017E, 12/14/17	3.00–5.00	2047	95,900,000	97,725,000
Series 2018A, 8/2/18	3.00–5.00	2030	41,440,000	45,415,000
Series 2018B, 11/29/18	3.00–5.00	2048	110,315,000	112,220,000
Series 2019A, 6/13/19	3.00–5.00	2049	3,785,000	3,935,000
Series 2019B, 10/8/19	4.00–5.00	2049	132,945,000	135,450,000
Series 2020B, 12/17/20	3.00–5.00	2050	66,247,022	69,382,022
Series 2021A, 6/30/21	3.00–5.00	2041	79,020,000	—
Series 2021B, 12/9/21	4.00–5.00	2051	97,115,763	—
			$ 1,121,112,887	1,178,194,735

Bond issue	Range of interest rates	Year of maturity	March 31 2022	2021
Beginning balance			$ 1,178,194,735	1,229,969,129
Bonds issued			176,930,763	69,382,022
Bonds retired			(234,012,611)	(121,156,416)
Ending balance			$ 1,121,112,887	1,178,194,735

The New York City Municipal Water Finance Authority makes up 70.0% of the DWSRF bonds receivable at March 31, 2022 and 71.8% at March 31, 2021.

Included in DWSRF bonds payable are unamortized bond premiums of $38,235,273 at March 31, 2022 and $28,042,143 at March 31, 2021.

Defeased in-substance debt outstanding that is no longer recorded on EFC’s statements of net position amounted to $41.1 million at March 31, 2022 and $45.2 million at March 31, 2021.

In fiscal 2022, the Corporation issued $429.3 million of State Revolving Funds Revenue Bonds. A portion of the proceeds, including a premium of $102 million, were used to redeem two series of previously issued SRF bonds totaling $437.4 million in par value. As a result of refinancing, the underlying borrowers in these transactions will realize $126.2 million in present value savings. The remaining bond proceeds were used to provide financial assistance to eligible recipients.

In fiscal 2021, the Corporation issued $294.5 million of State Revolving Funds Revenue Bonds. A portion of the proceeds, including a premium of $21.8 million, were used to redeem two series of previously issued SRF bonds totaling $126.0 million in par value. As a result of refinancing, the underlying borrowers in these transactions will realize $27.5 million in present value savings. The remaining bond proceeds were used to provide financial assistance to eligible recipients.

Principal payments on bonds receivable mature as follows:

	CWSRF	DWSRF	Total
Year ended March 31:			
2023	$ 314,258,814	70,991,859	385,250,673
2024	313,692,585	70,139,024	383,831,609
2025	300,605,104	63,794,820	364,399,924
2026	299,575,788	62,301,184	361,876,972
2027	292,956,504	59,511,000	352,467,504
2028–2032	1,336,174,593	267,280,000	1,603,454,593
2033–2037	1,114,893,714	148,170,000	1,263,063,714
2038–2042	635,410,000	164,270,000	799,680,000
2043–2047	353,262,761	131,210,000	484,472,761
2048–2052	171,290,000	83,445,000	254,735,000
	$ 5,132,119,863	1,121,112,887	6,253,232,750

Interest payments on bonds receivable are as follows:

	CWSRF	DWSRF	Total
Year ended March 31:			
2023	$ 212,641,256	48,466,805	261,108,061
2024	199,595,871	45,372,354	244,968,225
2025	186,676,997	42,448,287	229,125,284
2026	174,134,598	39,689,412	213,824,010
2027	161,848,141	37,018,868	198,867,009
2028–2032	636,561,006	145,639,812	782,200,818
2033–2037	362,786,812	101,649,975	464,436,787
2038–2042	176,452,569	67,466,355	243,918,924
2043–2047	58,943,949	26,675,976	85,619,925
2048–2052	10,855,855	5,442,944	16,298,799
	$ 2,180,497,054	559,870,788	2,740,367,842

Principal payments on bonds payable mature as follows:

	CWSRF	DWSRF	Total
Year ended March 31:			
2023	$ 257,740,000	59,990,000	317,730,000
2024	259,220,000	59,725,000	318,945,000
2025	247,535,000	55,955,000	303,490,000
2026	249,760,000	55,055,000	304,815,000
2027	249,940,000	52,955,000	302,895,000
2028–2032	1,129,775,000	240,630,000	1,370,405,000
2033–2037	926,965,000	138,060,000	1,065,025,000
2038–2042	483,430,000	158,205,000	641,635,000
2043–2047	342,335,000	164,745,000	507,080,000
2048–2052	78,875,000	46,405,000	125,280,000
	$ 4,225,575,000	1,031,725,000	5,257,300,000

Interest payments on bonds payable are as follows:

	CWSRF	DWSRF	Total
Year ended March 31:			
2023	$ 191,693,502	48,131,840	239,825,342
2024	179,770,700	45,273,497	225,044,197
2025	167,904,489	42,373,409	210,277,898
2026	156,270,772	39,662,431	195,933,203
2027	144,667,421	37,002,497	181,669,918
2028–2032	561,579,517	146,212,362	707,791,879
2033–2037	311,700,273	102,436,594	414,136,867
2038–2042	150,917,918	68,273,333	219,191,251
2043–2047	57,466,391	29,860,636	87,327,027
2048–2052	4,451,100	2,697,000	7,148,100
	$ 1,926,422,083	561,923,599	2,488,345,682

The bonds issued range of interest rate and years of maturity is similar to the bonds receivable.

The following is a reconciliation of bonds receivable to bonds payable:

		CWSRF	DWSRF	Total
Bonds receivable, March 31, 2022	$	5,132,119,863	1,121,112,887	6,253,232,750
Equity funded bonds receivable		(792,936,681)	(51,152,614)	(844,089,295)
Bonds payable, March 31, 2022	$	4,339,183,182	1,069,960,273	5,409,143,455
Bonds receivable, March 31, 2021	$	5,402,087,444	1,178,194,735	6,580,282,179
Equity funded bonds receivable		(801,450,994)	(54,792,592)	(856,243,586)
Bonds payable, March 31, 2021	$	4,600,636,450	1,123,402,143	5,724,038,593

Equity funded bonds receivable, or the blend rate funding model, utilizes a combination of bond proceeds from the issuance of EFC special obligation bonds and equity funds available from the CWSRF and DWSRF programs to fund a portion of each underlying recipients' financing. The equity funded portion is essentially an interest free component of each financing which satisfies subsidy targets. Both bond proceeds and equity funds are included in amounts recorded to bonds receivable however, only the bond proceeds are included in amounts recorded to bonds payable. The above tables represent the reconciliation of bonds receivable to bonds payable outstanding at March 31, 2022 and 2021. Bonds payable presented in the tables above are inclusive of unamortized bond premiums as of March 31, 2022 and 2021.

(8) Other Restricted Funds

EFC acts as an administrator for various funds/programs under other restricted funds. At March 31, 2022 and 2021, EFC's other restricted funds were $2.3 million and $2.7 million, respectively. A description of each of the funds is as follows:

DEC Escrow Fund: This fund is utilized to account for all transactions which occur relative to the agreements between DEC and EFC to administer certain escrow accounts.

Waste Water Treatment Plant Upgrade Program Fund (WWTP): This fund is utilized to account for all transactions which occur relative to the agreement between the New York City Department of Environmental Protection and EFC to administer the WWTP Program.

East of Hudson Septic System Rehabilitation Reimbursement Program: This fund is utilized to account for all transactions that occur relative to the agreement between the New York City Department of Environmental Protection and EFC to administer the East of Hudson Program.

The following is a summary of activities that have occurred within other restricted funds during the year ended March 31, 2022 and 2021:

		DEC	WWTP	East of Hudson	Total
Balance, March 31, 2021	$	283,648	264,055	2,136,395	2,684,098
Receipts:					
Program advances		—	—	—	—
Interest earnings		28	24	208	260
Total receipts		28	24	208	260
Disbursements:					
Project expenses		5,393	262,675	91,832	359,900
Administrative expenses		6,000	1,404	10,084	17,488
Total disbursements		11,393	264,079	101,916	377,388
Balance, March 31, 2022	$	272,283	—	2,034,687	2,306,970

		DEC	WWTP	East of Hudson	Total
Balance, March 31, 2020	$	2,492,295	264,029	2,242,048	4,998,372
Receipts:					
Program advances		—	—	—	—
Interest earnings		171	26	219	416
Total receipts		171	26	219	416
Disbursements:					
Project expenses		2,172,558	—	90,633	2,263,191
Administrative expenses		36,260	—	15,239	51,499
Total disbursements		2,208,818	—	105,872	2,314,690
Balance, March 31, 2021	$	283,648	264,055	2,136,395	2,684,098

(9) Industrial Financing Program

EFC has entered into agreements with private sector companies to provide funds for certain environmental projects and with New York State to provide funding to the State for certain programs. Industrial Financing Bonds or Private Activity Bonds are considered conduit debt and not included as obligations in the accompanying financial statements of EFC.

Private Activity Bonds: Under the terms of the agreements, EFC issues bonds on behalf of private sector companies for use in the construction or refinancing of certain environmental projects. The bonds issued are special obligation revenue bonds payable solely from funds provided by the companies and do not constitute a liability of EFC or New York State and therefore are not reported in the accompanying financial statements. Private Activity Bonds outstanding totaled $105 million at March 31, 2022 and March 31, 2021.

(10) Retirement Plan

(a) General information

Employees of EFC are members of the New York State and Local Employees' Retirement System (System), a defined benefit cost-sharing, multiple-employer public employee retirement system. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. System benefits and required contributions are established under the provisions of the New York State Retirement and Social Security Law (RSSL). The System offers a range of programs and benefits that vary based on the date of membership, years of credited service and final average salary, vesting of retirement benefits, disability benefits and optional methods of benefit payments. Once a public employer elects to participate in the System, the election is irrevocable. As part of ERS, EFC also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. The System's financial report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing the New York State and Local Retirement System, 110 State St, Albany, NY 12244.

Most members of the System who joined before July 27, 1976 or who have been a member of the System for at least ten years are enrolled in a noncontributory plan; the Corporation contributes the entire amount determined to be payable to the System. Personnel who joined the System July 27, 1976 or after and have not been a member of the System for at least ten years or who joined the System after December 31, 2009 are required by law to contribute a percentage of their gross salary; the Corporation contributes the balance payable to the System for these employees.

(b) Contributions

System funding requirements are determined by the actuary of the System. The System calculates the employer contribution as a result of the actuarially determined rates and salaries. Contributions for the current and prior year were equal to 100% of the contributions required, and were as follows:

	Contribution
2022	$ 1,311,796
2021	1,154,850

(c) *Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At March 31, 2022 and 2021, EFC recognized a net pension liability of $26,491 and $8,203,519, respectively, for its proportionate share of the System's net pension liability and is included in the other liabilities in the accompanying financial statements. The net pension liability was measured as of March 31, 2021 and 2020 and was determined using an actuarial valuation as of April 1, 2020 and 2019, respectively. Update procedures were used to roll forward the net pension liability to March 31, 2021 and 2020. EFC's proportion of the System's net pension liability was based on a projection of EFC's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At the measurement date of March 31, 2021, EFC's proportion of the net pension liability of the System was 0.0266047%, and the proportion at March 31, 2020 was 0.0309794%. EFC recognized pension expense for the years ended March 31, 2022 and 2021 of $523,886 and $2,784,731, respectively and is included in Administrative costs in the accompanying financial statements. At March 31, 2022 and 2021, EFC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 323,531	—
Changes of assumptions	4,870,907	91,867
Net difference between projected and actual earnings on pension plan investments	—	7,609,877
Changes in proportion and differences between contributions and proportionate share of contributions	114,327	489,711
Contributions subsequent to measurement date	1,311,796	—
	$ 6,620,561	8,191,455

		2021	
		Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$	482,810	—
Changes of assumptions		165,180	142,630
Net difference between projected and actual earnings on pension plan investments		4,205,523	—
Changes in proportion and differences between contributions and proportionate share of contributions		96,122	143,631
Contributions subsequent to measurement date		1,154,850	—
	$	6,104,485	286,261

Contributions of $1,311,796 are reported as deferred outflows of resources as a result of EFC's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending March 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		Amount
Year ended March 31:		
2022	$	(538,260)
2023		(267,095)
2024		(524,860)
2025		(1,552,475)
	$	(2,882,690)

(d) Actuarial Assumptions

For the measurement date of March 31, 2021, the actuarial assumptions included in the actuarial valuation includes an inflation factor of 2.7%, projected salary increases of 4.4%, cost of living adjustments of 1.4% and an investment rate of return of 5.9%. For the measurement date of March 31, 2020, the actuarial assumptions included in the actuarial valuation includes an inflation factor of 2.5%, projected salary increases of 4.2%, cost of living adjustments of 1.3% and an investment rate of return of 6.8%.

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 return, net of investment expenses 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 rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset class	Target allocation	expected real rate of return	Target allocation	expected real rate of return
Domestic equity	32 %	4.05 %	36 %	4.05 %
International equity	15	6.30	14	6.15
Private equity	10	6.75	10	6.75
Real estate	9	4.98	10	4.95
Absolute return strategies	—		2	3.25
Opportunistic portfolio	—		3	4.65
Opportunistic/Absolute Return	3	4.50	—	
Credit	4	3.63	—	
Real assets	3	5.95	3	5.95
Bonds and mortgages	—		17	0.75
Fixed Income	23	—	—	
Cash	1	0.50	1	—
Inflation indexed bonds	—		4	0.50
	100 %		100 %	

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 System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on pension plan investments for 2022 and 2021 of 5.9% and 6.8%, respectively, were applied to all periods of projected benefit payments to determine the total pension liability.

The following presents EFC's proportionate share of the net pension liability for 2022 and 2021 calculated using the discount rates of 5.9% and 6.8%, respectively, as well as what EFC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

		1% Decrease	Current Assumption	1% Increase
Proportionate share of the net pension liability (asset), 2022	$	7,352,976	26,491	(6,730,243)
Proportionate share of the net pension liability, 2021	$	15,055,773	8,203,519	1,892,564

(11) Other Post-Employment Benefits

(a) General Information

Plan Description: Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP). The majority of retired employees are enrolled in one of two plans: The Empire plan or the Capital District Physicians' Health Plan. Eligible employees must retire directly from EFC employment with a minimum of 10 years of service with NYS Civil Service, and a minimum of one year with EFC immediately preceding retirement. The plan is considered a single employer plan.

Funding Policy: Health insurance premiums for retired employees are equal to the premiums charged for active employees. EFC pays a portion of the premium for medical coverage for the employee and spouse for the lifetimes of the employee and spouse based on the plan chosen by the employee. EFC also reimburses retirees, spouses, and surviving spouses for their entire Medicare Part B premium payment. The dollar value of accumulated sick leave credits at the time of retirement is converted to a lifetime monthly credit, which is used to reduce the portion of the health insurance premiums paid directly by retirees and in some instances their surviving spouse for life. Contributions are made on a pay-as-you-go basis.

Employees covered by benefit terms: At March 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	56
Inactive employees entitled to but not yet receiving benefit payments	6
Active employees	85
	147

(b) Total OPEB Liability and Changes to the Total OPEB Liability

EFC's annual other post-employment benefit (OPEB) expense is calculated based on an amount actuarially determined in accordance with the parameters of GASB Statement 75. The total OPEB liability represents the portion of actuarial present value of projected benefit payments attributable to past periods of member service.

EFC's total reported OPEB liability of $49,746,119 as of March 31, 2022 and $49,036,123 as of March 31, 2021 was measured as of March 31, 2020 and March 31, 2019, respectively, and were determined by an actuarial valuation as of April 1, 2019.

	2022	2021
Total OPEB liability:		
Service cost	$ 1,608,713	$ 1,528,793
Interest on total OPEB liability	1,139,672	1,904,428
Effect of liability gains and losses	—	(11,764,637)
Effect of assumption changes or inputs	(1,160,345)	9,127,656
Benefit payments	(878,044)	(960,169)
Net change in total OPEB liability	709,996	(163,929)
Total OPEB liability-beginning of year	49,036,123	49,200,052
Total OPEB liability-ending of year	$ 49,746,119	$ 49,036,123

Actuarial assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the March 31, 2020 and March 31, 2018 actuarial valuations, which are used for March 31, 2022 and 2021 financial reporting, respectively, the Entry Age Normal cost method, as required by GASB 75 is used. EFC does not prefund it's plan and is therefore required to use a discount rate equal to 20-year high grade municipal bonds. Baseline discount rates of 2.40% and 2.27% as of March 31, 2022 and March 31, 2021, respectively, are based on the Bond Buyer General Obligation 20-Bond Municipal Index. The expected rate of increase in healthcare premiums for the March 31, 2020 valuation is the same rate as applied in the December 2018 report of the "New York State/SUNY Development of Recommended Actuarial Assumptions for Other Post Employment Benefit Plans Actuarial Valuations – Participating Agency Version." The expected rate of increase in healthcare premiums for the March 31, 2018 valuation is based on projections developed by the actuary's healthcare specialists with increases of 4.5% assumed in calendar year 2022 and beyond. For the two plans with the highest enrollment,

(Continued)

increases of 5.9% and 8.6% were assumed in calendar year 2019 for pre-Medicare costs and 5.0% and 10.5% for Medicare costs.

Mortality assumptions for the reporting date March 31, 2020 were based on the mortality table in the "Annual Report to the Comptroller on Actuarial Assumptions" dated August 2020, with mortality improvement rates based on the MacLeod Watts Scale 2020. Mortality rates for the reporting date March 31, 2018 were based on the RP2000 Employee/Healthy Annuitant sex distinct mortality tables with full generational projection using Scale BB.

The following presents EFC's total OPEB liability, calculated using the discount rates of 2.4% and 2.27% for 2022 and 2021, respectively, as well as what EFC's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1-percentage-point higher than the current rate for 2022 and 2021, respectively:

		2022	
	1% Decrease 1.40%	**Current assumption 2.40%**	**1% Increase 3.40%**
Total OPEB liability	$ 59,710,847	49,746,119	41,941,055

		2021	
	1% Decrease 1.27%	**Current assumption 2.27%**	**1% Increase 3.27%**
Total OPEB liability	$ 59,085,737	49,036,123	41,183,923

The following presents EFC's total OPEB liability, calculated using the current healthcare cost trend rates, as well as what EFC's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1-percentage-point higher than the current trend rates:

		2022	
	1% Decrease	**Current trend rate**	**1% Increase**
Total OPEB liability	$ 41,524,732	49,746,119	60,528,441

		2021		
		1% Decrease	**Current trend rate**	**1% Increase**
Total OPEB liability	$	40,932,076	49,036,123	59,664,557

(c) *OPEB Expense, Deferred Inflows, and Deferred Outflows of Resources Related to OPEB*

For the years ended March 31, 2022 and March 31, 2021, EFC recognized OPEB expense of $2,257,844 and $2,153,152, respectively and reported deferred outflows and inflows of resources related to OPEB from the following sources:

		2022		2021
Deferred outflows of resources:				
Changes of assumptions	$	6,799,486	$	8,308,346
Benefit payments subsequent to the measurement date		1,065,060		878,044
Total deferred outflows of resources	$	7,864,546	$	9,186,390
Deferred inflows of resources:				
Differences between expected and actual experience	$	8,432,945	$	10,223,084
Changes of assumptions		1,072,359		121,275
Total deferred inflows of resources	$	9,505,304	$	10,344,359

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending March 31, 2023. Other amounts recognized in the deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ended March 31:		
2023	$	(490,540)
2024		(490,540)
2025		(548,928)
2026		(558,431)
2027		(480,868)
Thereafter		(136,511)
Total	$	(2,705,818)

(12) Commitments and Contingencies

At March 31, 2022, the undisbursed balance of active SRF short-term direct loans and grants closed were $1.1 billion and $31.3 million, respectively.

In August 2013, the Corporation, through the State Revolving Fund (SRF), guaranteed $24.3 million Series 2013A Residential Energy Efficiency Financing Revenue Bonds issued by the New York State Energy Research and Development Authority (NYSERDA). The bonds have semi-annual interest payments each January and July 1 and annual principal payments each July 1 from January 1, 2014 to July 1, 2028 and are secured with a pledge of payments from certain residential energy efficiency loans funded by NYSERDA. Under the terms of the guarantee agreement, the Corporation guarantees full and timely payment of principal and interest on the bonds in the event NYSERDA fails to pay when due and payable. NYSERDA established a Collateral Reserve account, which may be used by the Corporation to fund or reimburse the SRF if loan repayments and interest subsidies are insufficient to meet scheduled payments on the bonds, and if there are insufficient additional funds available from the residential energy efficiency loan program. As of March 31, 2022, the outstanding balance of the bonds totaled $51.9 million and the balance in the Collateral Reserve account was $8.2 million.

Periodically, the Corporation is involved with legal actions, claims and/or investigations arising in the ordinary course of business. In the opinion of management, as of March 31, 2022, the ultimate disposition of any such matters will not have a material adverse effect, if any, on the Corporation's net position, changes in net position, or liquidity.

(13) Subsequent Events

The Corporation has evaluated subsequent events from the statement of net position date of March 31, 2022 through June 30, 2022, the date at which the financial statements were available to be issued.

On April 21, 2022, EFC issued $413,005,000 of State Clean Water and Drinking Water Revolving Funds Revenue Bonds, Series 2022A (New York City Municipal Water Finance Authority Projects - Second Resolution Bonds). The 2022A bonds have interest rates ranging from 4.00% to 5.00% and have a final maturity of June 15, 2051.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Required Supplemental Information

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

March 31, 2022

	2022	2021	2020	2019	2018	2017
Share of net pension liability	0.0266047%	0.0309794%	0.0334003%	0.0331066%	0.0310347%	0.0326821%
Proportionate share of the net pension liability	$ 26,491	8,203,519	2,366,512	1,068,497	2,916,092	5,245,571
Covered payroll	8,201,732	8,181,673	8,609,034	8,936,103	8,907,716	8,378,527
Proportionate share of the net pension liability as a percentage of its covered payroll	0.3%	100.3%	27.5%	12.0%	32.7%	62.6%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	100.4%	98.2%	94.7%	90.7%

Measurement date is as of the respective March 31 of the previous year.

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Required Supplemental Information

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

March 31, 2022

		2022	2021	2020	2019	2018	2017
Contractually required contribution	$	1,311,796	1,154,850	1,250,737	1,308,955	1,282,460	1,254,691
Contributions in relation to the contractually required contribution		1,311,796	1,154,850	1,250,737	1,308,955	1,282,460	1,254,691
Contribution deficiency (excess)	$	—	—	—	—	—	—
Covered payroll	$	8,417,325	8,201,732	8,181,673	8,609,034	8,936,103	8,907,716
Contributions as a percentage of covered payroll		15.6%	14.1%	15.3%	15.2%	14.4%	14.1%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of the State of New York)

Required Supplemental Information

Schedule of Changes in Net OPEB Liability and Related Ratios

March 31, 2022

	2022	2021	2020	2019
Total OPEB liability:				
Service cost	$ 1,608,713	$ 1,528,793	$ 1,484,265	$ 1,441,534
Interest on total OPEB liability	1,139,672	1,904,428	1,830,021	1,736,866
Effect of plan changes	—	—	—	—
Effect of liability gains and losses	—	(11,764,637)	(145,003)	(195,462)
Effect of assumption changes or inputs	(1,160,345)	9,127,656	856,108	(237,141)
Benefit payments	(878,044)	(960,169)	(763,330)	(695,677)
Net change in total OPEB liability	709,996	(163,929)	3,262,061	2,050,120
Total OPEB liability-beginning	49,036,123	49,200,052	45,937,991	43,887,871
Total OPEB liability-ending	$ 49,746,119	$ 49,036,123	$ 49,200,052	$ 45,937,991
Covered employee payroll	8,201,732	8,181,673	8,609,034	8,936,103
Net OPEB liability as a percentage of covered employee payroll	607%	599%	571%	571%

Measurement date is as of March 31 of the previous year.

Note: This schedule is intended to show information for ten years.
Additional years will be displayed as they become available.

See accompanying independent auditors' report.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of New York State)

Other Supplementary Information – Combining Schedule of Net Position

March 31, 2022 and 2021

	2022				2021			
Assets and Deferred Outflows of Resources	**Corporate activities**	**CWSRF**	**DWSRF**	**Total**	**Corporate activities**	**CWSRF**	**DWSRF**	**Total**
Current assets:								
Cash and cash equivalents:	$ 24,710,111	—	—	24,710,111	28,720,753	—	—	28,720,753
Contractual services and fees receivable	44,129	—	—	44,129	53,928	—	—	53,928
Restricted assets:								
Cash and cash equivalents	—	205,785,705	76,055,747	281,841,452	—	431,961,256	244,897,998	676,859,254
Accounts receivable	—	—	—	—	—	—	—	—
Interest receivable on bonds and direct financings	—	56,752,197	13,846,461	70,598,658	—	61,489,081	15,114,718	76,603,799
Interest receivable on cash and cash equivalents and investments	—	12,948,514	1,454,929	14,403,443	—	13,862,680	1,472,780	15,335,460
Annual fees receivable	—	12,313,596	1,169,576	13,483,172	—	12,842,113	1,248,149	14,090,262
Prepaid expense	—	820,000	65,000	885,000	—	820,000	65,000	885,000
Short-term financings receivable	—	395,942,945	67,699,025	463,641,970	—	337,968,940	46,975,884	384,944,824
Direct financing receivable	—	91,429,462	33,712,815	125,142,277	—	79,079,013	31,448,171	110,527,184
Bonds receivable	—	314,258,814	70,991,859	385,250,673	—	311,713,070	73,928,996	385,642,066
Other restricted funds	2,306,971	—	—	2,306,971	2,684,098	—	—	2,684,098
Total current assets	27,061,211	1,090,251,233	264,995,412	1,382,307,856	31,458,779	1,249,736,153	415,151,696	1,696,346,628
Noncurrent assets:								
Restricted assets:								
Investments	—	1,682,861,690	287,340,721	1,970,202,411	—	1,632,627,658	214,219,745	1,846,847,403
Short-term financings receivable	—	670,194,673	228,499,447	898,694,120	—	438,794,187	71,313,139	510,107,326
Direct financings receivable	—	2,214,054,441	699,968,226	2,914,022,667	—	2,153,308,962	708,356,039	2,861,665,001
Bonds receivable	—	4,817,861,049	1,050,121,028	5,867,982,077	—	5,090,374,374	1,104,265,739	6,194,640,113
Total noncurrent assets	—	9,384,971,853	2,265,929,422	11,650,901,275	—	9,315,105,181	2,098,154,662	11,413,259,843
Total assets	27,061,211	10,475,223,086	2,530,924,834	13,033,209,131	31,458,779	10,564,841,334	2,513,306,358	13,109,606,471
Deferred outflows of resources related to pensions and OPEB liability	1,362,492	10,750,056	2,372,559	14,485,107	1,408,191	11,479,125	2,403,559	15,290,875
Total assets and deferred outflow of resources	$ 28,423,703			8		10,576,320,459	2,515,709,917	6
		10,485,973,142	2,533,297,393	13,047,694,23				13,124,897,34
					32,866,970			

See accompanying independent auditors' report.

(Continued)

Other Supplementary Information – Combining Schedule of Net Position

March 31, 2022 and 2021

	2022				2021			
Liabilities, Deferred Inflows of Resources and Net Position	**Corporate activities**	**CWSRF**	**DWSRF**	**Total**	**Corporate activities**	**CWSRF**	**DWSRF**	**Total**
Current liabilities:								
Accrued interest payable on bonds	$ —	53,663,183	13,560,848	67,224,031	—	57,555,423	14,743,447	72,298,870
Accrued interest subsidy	—	25,117,488	2,291,994	27,409,482	—	26,643,727	2,777,402	29,421,129
Bonds payable	—	257,740,000	59,990,000	317,730,000	—	255,355,000	63,255,000	318,610,000
Appropriation bonds payable	—	—	—	—	—	—	—	—
Other restricted funds	2,306,971	—	—	2,306,971	2,684,098	—	—	2,684,098
Accounts payable and accrued expenses	8,824,587	11,509,724	2,212,484	22,546,795	13,821,772	13,031,525	2,514,820	29,368,117
Interfund balances	(759,372)	614,221	145,151	—	(874,892)	737,660	137,232	—
Debt service funds payable	—	4,709,184	515,680	5,224,864		5,319,847	144,875	5,464,722
Other liabilities	2,728	71,811,163	25,442,853	97,256,744	766,708	55,855,724	28,684,054	85,306,486
Other post-employment benefits	185,635	666,105	240,233	1,091,973	82,555	773,950	175,429	1,031,934
Total current liabilities	10,560,549	425,831,068	104,399,243	540,790,860	16,480,241	415,272,856	112,432,259	544,185,356
Noncurrent liabilities:								
Bonds payable	—	4,081,443,182	1,009,970,273	5,091,413,455	—	4,345,281,450	1,060,147,143	5,405,428,593
Appropriation bonds payable	—	—	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—
Other post-employment benefits	7,725,851	32,632,288	8,296,007	48,654,146	7,755,943	32,016,228	8,232,018	48,004,189
Total noncurrent liabilities	7,725,851	4,114,075,470	1,018,266,280	5,140,067,601	7,755,943	4,377,297,678	1,068,379,161	5,453,432,782
Total liabilities	18,286,400	4,539,906,538	1,122,665,523	5,680,858,461	24,236,184	4,792,570,534	1,180,811,420	5,997,618,138
Deferred inflows of resources related to pensions and OPEB liability	1,703,254	13,072,330	2,921,175	17,696,759	1,144,267	7,867,481	1,618,872	10,630,620
Total liabilities and deferred inflows of resources	19,989,654	4,552,978,868	1,125,586,698	5,698,555,220	25,380,451	4,800,438,015	1,182,430,292	6,008,248,758
Net position:								
Restricted for revolving loan fund programs	—	5,932,994,274	1,407,710,695	7,340,704,969	—	5,775,882,444	1,333,279,625	7,109,162,069
Unrestricted	8,434,049	—	—	8,434,049	7,486,519	—	—	7,486,519
Total net position	8,434,049	5,932,994,274	1,407,710,695	7,349,139,018	7,486,519	5,775,882,444	1,333,279,625	7,116,648,588

See accompanying independent auditors' report.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of New York State)

Other Supplementary Information – Combining Schedule of Revenues, Expenses, and Changes in Net Position

Years ended March 31, 2022 and 2021

	2022				2021			
	Corporate activities	CWSRF	DWSRF	Total	Corporate activities	CWSRF	DWSRF	Total
Operating revenues:								
Interest income on bonds and direct financings receivable	$ —	237,517,276	52,534,488	290,051,764	—	251,468,940	56,191,771	307,660,711
Bond financing and administrative fees	77,000	13,099,641	1,838,732	15,015,373	359,545	16,953,714	1,715,849	19,029,108
Administrative grant revenues	81,490	10,497,934	1,813,880	12,393,304	79,464	7,148,995	1,798,680	9,027,139
Indirect cost and other recoveries	2,291,618	(1,953,998)	(337,620)	—	1,107,759	(885,089)	(222,670)	—
Contract service fees	10,192	—	—	10,192	16,116	—	—	16,116
Other revenues	191,413	67,822	9,138	268,373	118,271	—	—	118,271
Total operating revenues	2,651,713	259,228,675	55,858,618	317,739,006	1,681,155	274,686,560	59,483,630	335,851,345
Operating expenses:								
Interest expense on bonds payable	—	199,362,623	49,589,655	248,952,278	—	211,339,765	52,681,829	264,021,594
Interest subsidy provided	—	88,686,169	6,313,544	94,999,713	—	89,397,090	7,441,007	96,838,097
Administrative costs	1,706,457	10,506,878	2,980,396	15,193,731	1,246,156	19,224,069	4,085,117	24,555,342
Total operating expenses	1,706,457	298,555,670	58,883,595	359,145,722	1,246,156	319,960,924	64,207,953	385,415,033
Operating gain (loss)	945,256	(39,326,995)	(3,024,977)	(41,406,716)	434,999	(45,274,364)	(4,724,323)	(49,563,688)
Nonoperating revenues:								
Project grant revenues	—	208,079,476	88,163,520	296,242,996	—	5,279,722	2,126,097	7,405,819
Investment income	2,274	15,752,003	(3,038,301)	12,715,976	2,532	62,170,206	8,509,999	70,682,737
State assistance payments revenue	5,512,250	81,744,966	80,706,243	167,963,459	1,517,248	49,415,882	60,078,840	111,011,970
Total nonoperating revenues	5,514,524	305,576,445	165,831,462	476,922,431	1,519,780	116,865,810	70,714,936	189,100,526
Nonoperating expenses:								
Grants disbursed	—	27,392,654	7,669,172	35,061,826	—	19,171,335	7,073,588	26,244,923
State assistance payments expense	5,512,250	81,744,966	80,706,243	167,963,459	1,517,248	49,415,882	60,078,840	111,011,970
Total nonoperating expenses	5,512,250	109,137,620	88,375,415	203,025,285	1,517,248	68,587,217	67,152,428	137,256,893
Increase (decrease) in net position	947,530	157,111,830	74,431,070	232,490,430	437,531	3,004,229	(1,161,815)	2,279,945
Beginning net position	7,486,519	5,775,882,444	1,333,279,625	7,116,648,588	7,048,988	5,772,878,215	1,334,441,440	7,114,368,643
Ending net position	$ 8,434,049	5,932,994,274	1,407,710,695	7,349,139,018	7,486,519	5,775,882,444	1,333,279,625	7,116,648,588

See accompanying independent auditors' report.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of New York State)

Other Supplementary Information – Combining Schedule of Cash Flows

Years ended March 31, 2022 and 2021

	2022				2021			
	Corporate activities	**CWSRF**	**DWSRF**	**Total**	**Corporate activities**	**CWSRF**	**DWSRF**	**Total**
Cash flows from operating activities:								
Bond financing and administrative fees	$ 2,470,099	22,172,094	3,393,565	28,035,758	1,649,489	23,181,040	9,648,442	34,478,971
Personal services expense	(788,247)	(6,148,909)	(1,499,058)	(8,436,214)	(704,057)	(6,280,863)	(1,287,729)	(8,272,649)
Fringe benefits expense	(202,114)	(1,860,240)	(408,547)	(2,470,901)	(203,873)	(3,785,662)	(784,762)	(4,774,297)
Other administrative expenses	(5,640,287)	(3,511,314)	(1,246,333)	(10,397,934)	13,122,673	(4,190,787)	(1,091,252)	7,840,634
Other, net	147,633	21,833,730	(1,890,846)	20,090,517	393,349	5,812,363	17,828,937	24,034,649
Net cash (used in) provided by operating activities	(4,012,916)	32,485,361	(1,651,219)	26,821,226	14,257,581	14,736,091	24,313,636	53,307,308
Cash flows from noncapital financing activities:								
Proceeds from bonds issued	—	286,760,000	142,525,000	429,285,000	—	249,340,000	45,155,000	294,495,000
Payments on bonds payable	—	(548,213,268)	(195,966,870)	(744,180,138)	—	(370,192,631)	(92,258,535)	(462,451,166)
Interest paid on bonds payable	—	(203,254,863)	(50,772,254)	(254,027,117)	—	(213,120,596)	(53,617,550)	(266,738,146)
New York State appropriation bond payments received	—	—	—	—	16,405,000	—	—	16,405,000
Payments on New York State appropriation bonds	—	—	—	—	(16,405,000)	—	—	(16,405,000)
Grants disbursed	—	(27,392,654)	(7,669,172)	(35,061,826)	—	(19,171,335)	(7,073,588)	(26,244,923)
Contributions received from the U.S. EPA	—	179,422,094	88,163,520	267,585,614	—	4,399,768	2,126,097	6,525,865
Contributions received from New York State	—	28,657,382	—	28,657,382	—	879,954	—	879,954
Net cash (used in) provided by noncapital financing activities	—	(284,021,309)	(23,719,776)	(307,741,085)	—	(347,864,840)	(105,668,576)	(453,533,416)
Cash flows from investing activities:								
Net proceeds from maturities of investments	—	(50,234,032)	(73,120,977)	(123,355,009)	—	249,709,884	95,327,927	345,037,811
Interest income on investments	2,274	16,666,169	(3,020,450)	13,647,993	2,532	65,515,334	9,309,669	74,827,535
Bonds purchased	—	(378,757,489)	(176,930,763)	(555,688,252)	—	(362,022,721)	(69,382,022)	(431,404,743)
Bonds repayments received	—	648,725,079	234,012,615	882,737,694	—	469,008,300	121,156,416	590,164,716
Short-term financing disbursements	—	(585,142,075)	(263,320,528)	(848,462,603)	—	(565,274,427)	(68,756,577)	(634,031,004)
Short-term financing repayments received	—	295,767,585	85,411,079	381,178,664	—	587,946,278	64,849,522	652,795,800
Direct financings issued	—	(201,020,656)	(35,456,801)	(236,477,457)	—	(234,858,927)	(21,937,435)	(256,796,362)
Direct financing repayments received	—	127,924,728	41,579,971	169,504,699	—	82,566,638	31,195,016	113,761,654
Interest income on bonds and direct financings receivable	—	242,254,160	53,802,745	296,056,905	—	254,202,993	57,220,544	311,423,537
Interest subsidy provided	—	(90,212,409)	(6,798,952)	(97,011,361)	—	(90,820,084)	(7,719,867)	(98,539,951)
Debt service funds received	—	2,175,938	488,806	2,664,744	—	(112,287)	(4,731)	(117,018)
Debt service funds paid	—	(2,786,601)	(118,001)	(2,904,602)	—	(7,484,069)	(201,264)	(7,685,333)
Net cash provided by (used in) investing activities	2,274	25,360,397	(143,471,256)	(118,108,585)	2,532	448,376,912	211,057,198	659,436,642
Net (decrease) increase in cash and cash equivalents	(4,010,642)	(226,175,551)	(168,842,251)	(399,028,444)	14,260,113	115,248,163	129,702,258	259,210,534
Cash and cash equivalents, beginning of year	28,720,753	431,961,256	244,897,998	705,580,007	14,460,640	316,713,093	115,195,740	446,369,473
Cash and cash equivalents, end of year	$ 24,710,111	205,785,705	76,055,747	306,551,563	28,720,753	431,961,256	244,897,998	705,580,007

See accompanying independent auditors' report.

NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION
(A Component Unit of New York State)

Other Supplementary Information – Combining Schedule of Cash Flows

Years ended March 31, 2022 and 2021

	2022				2021			
	Corporate activities	**CWSRF**	**DWSRF**	**Total**	**Corporate activities**	**CWSRF**	**DWSRF**	**Total**
Reconciliation of operating gain (loss) to net cash (used in) provided by operating activities:								
Operating gain (loss)	$ 945,256	(39,326,995)	(3,024,977)	(41,406,716)	434,999	(45,274,364)	(4,724,323)	(49,563,688)
Adjustments to reconcile operating gain (loss) to net cash (used in) provided by operating activities:								
Interest income on bonds and direct financings receivable	—	(237,517,276)	(52,534,488)	(290,051,764)	—	(251,468,940)	(56,191,771)	(307,660,711)
Interest expense	—	199,362,623	49,589,655	248,952,278	—	211,339,765	52,681,829	264,021,594
Principal forgiveness	—	—	—	—	—	—	—	—
Interest subsidy provided	—	88,686,169	6,313,544	94,999,713	—	89,397,090	7,441,007	96,838,097
Changes in assets and liabilities that provide (use) cash:								
Contractual services and fees receivable	9,799	—	—	9,799	86,605	—	6,344,030	6,430,635
Annual fees receivable	—	528,517	78,573	607,090	—	(36,580)	12,553	(24,027)
Accounts payable and accrued expenses	(4,997,185)	(1,521,801)	(302,336)	(6,821,322)	13,475,673	5,090,836	946,453	19,512,962
Interfund balances	115,520	(123,439)	7,919	—	(1,529)	12,233	(10,704)	—
Unearned revenue	—	—	—	—	—	—	—	—
Other liabilities	(159,294)	21,889,348	(1,907,902)	19,822,152	276,608	5,800,129	17,839,638	23,916,375
Other post-employment benefits	72,988	508,215	128,793	709,996	(14,775)	(124,078)	(25,076)	(163,929)
Net cash (used in) provided by operating activities	$ (4,012,916)	32,485,361	(1,651,219)	26,821,226	14,257,581	14,736,091	24,313,636	53,307,308

See accompanying independent auditors' report.