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

Basic Financial Statements

March 31, 2023

(With Independent Auditors' Report Thereon)

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

Basic Financial Statements

March 31, 2023

Table of Contents

KPMG LLP
515 Broadway
Albany, NY 12207-2974

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 year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements for the year then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of March 31, 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was 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 GAAS. In our opinion, the information 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 28, 2023 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 28, 2023

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), which provides tax-exempt and taxable conduit financings to private entities for a variety of environmental purposes.

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.

(Continued)

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 – 2023

- Total assets and deferred outflows of resources increased by $617.8 million or 4.7% from $13.0 billion to $13.7 billion.
- Net position increased by $364.7 million from $7.3 billion to $7.7 billion
- Investment income increased by $24.6 million or 193.1% from $12.7 million to $37.3 million.
- Project grant revenues increased by $129.8 million from $296.2 million to $426.0 million.
- Grants disbursed increased by $33.5 million from $35.1 million to $68.6 million.
- The Corporation issued two series of SRF bonds in an aggregate principal amount of $739.8 million.

SRF Program Activity

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

		2023		
Series	**Closed**	**CWSRF**	**DWSRF**	**Total**
2022A	4/21/2022	$ 325,685,000	87,320,000	413,005,000
2022B	12/6/2022	241,065,000	85,710,000	326,775,000
		$ 566,750,000	173,030,000	739,780,000

(Continued)

		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

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:

	2023		
	CWSRF	**DWSRF**	**Total**
Leveraged financings	$ 841,900,688	218,304,609	1,060,205,297
Long-term direct financings	592,115,636	85,436,138	677,551,774
Short-term direct financings	1,143,832,446	166,572,080	1,310,404,526
Grants	18,237,236	15,567,597	33,804,833
	$ 2,596,086,006	485,880,424	3,081,966,430

	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

(Continued)

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

	2023		
	CW	DW	Total
Grants	$ 47,718,747	139,107,219	186,825,966
Short-term loans	—	3,400,000	3,400,000
	$ 47,718,747	142,507,219	190,225,966

	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

Summary Schedule of Net Position

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

	2023	2022
Assets and Deferred Outflows of Resources		
Current assets	$ 1,512,681,713	1,382,307,856
Noncurrent assets	12,143,915,956	11,650,901,275
Total assets	13,656,597,669	13,033,209,131
Deferred outflows of resources	11,114,346	14,485,107
Total assets and deferred outflows of resources	$ 13,667,712,015	13,047,694,238

(Continued)

		2023	2022
Liabilities, Deferred Inflows of Resources, and Net Position			
Current liabilities	$	597,342,044	540,790,860
Noncurrent liabilities		5,330,186,714	5,140,067,601
Total liabilities		5,927,528,758	5,680,858,461
Deferred inflows of resources		26,391,844	17,696,759
Total liabilities and deferred inflows of resources		5,953,920,602	5,698,555,220
Net position restricted		7,703,922,586	7,340,704,969
Net position unrestricted		9,868,827	8,434,049
Total net position		7,713,791,413	7,349,139,018
Total liabilities, deferred inflows of resources and net position	$	13,667,712,015	13,047,694,238

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	
		2023	2022
Total operating revenues	$	271,574,282	317,739,006
Total operating expenses		301,503,809	359,145,722
Operating loss		(29,929,527)	(41,406,716)
Nonoperating revenues		628,689,048	476,922,431
Nonoperating expenses		234,107,126	203,025,285
Increase in net position		364,652,395	232,490,430
Beginning net position		7,349,139,018	7,116,648,588
Cumulative effect of change in accounting principles		—	—
Ending net position	$	7,713,791,413	7,349,139,018

Statement of Net Position Analysis – 2023

The Corporation's total assets and deferred outflows of resources increased $620.0 million from $13.0 billion as of March 31, 2022 to $13.7 billion as of March 31, 2023. The increase in assets and deferred outflows of resources of $620.0 million was the net result of several factors, which include a increase in cash and cash equivalents of $327.0 million, a decrease in short-term financings receivable of $661.5 million, an increase in direct financings receivable of $407.8 million, an increase in bonds receivable of $452.4 million, as well as an increase in investments of $83.2 million.

The Corporation's total liabilities and deferred inflows of resources increased $255.4 million from $5.7 billion as of March 31, 2022 to $6.0 billion as of March 31, 2023. The increase in liabilities and deferred inflows of resources of $255.4 million was primarily the net result of several factors, which include an increase in bonds payable of $209.4 million, an increase in accounts payable and accrued expenses of $4.0 million, a decrease in OPEB liability of $11.1 million, an increase in deferred inflows of resources related to pensions and OPEB of $8.7 million, as well as an increase in other liabilities of $45.5 million.

The Corporation's total net position increased $364.7 million from $7.3 billion to $7.7 billion.

Changes in Net Position Analysis – 2023

During the year ended March 31, 2023, the Corporation recorded an operating loss of $30.0 million as compared to an operating loss of $41.4 million during the year ended March 31, 2022. The decrease in operating loss of $11.4 million was primarily the net result of a $57.5 million decrease in operating expenses offset with a $46.2 million decrease in operating revenue. Operating expenses decreased primarily due to a decrease in interest expense on bonds payable of $17.9 million, and a decrease in interest subsidy provided of $39.0 million. Operating revenue decreased primarily due to a decrease in interest income on bonds and direct financings of $43.2 million, an increase in bond financing and administrative fees of $3.3 million, as well as a decrease in administrative grant revenues of $6.0 million. During the fiscal year, $30.8 million of the decrease in interest income on bonds receivable was due to decreased offsets associated with interest subsidies provided by the Corporation from below market rate financings. A resulting decrease in subsidy expense is reflected in these results. $13.0 million of the decrease to bond interest income and expense was due to a reduction in offsets to bond premium.

The Corporation recorded project grant revenues in its statement of revenues, expenses, and changes in net position of $426.0 million during the year ended March 31, 2023 as compared to $296.2 million for the year ended March 31, 2022. The increase in project grant revenues of $129.8 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 an increase in investment income of $24.5 million and an increase in grants disbursed of $33.5 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 $49.7 million for the year ended March 31, 2023 as compared to an unrealized loss of $41.0 million for the year ended March 31, 2022.

Overall, the Corporation recorded an increase in net position of $364.7 million for the year ended March 31, 2023 as compared to $232.5 million for the year ended March 31, 2022. The increase in the change in net position of $364.7 million year over year is primarily the result of increased project grant revenues from the federal capitalization grant awards in the year ending March 31, 2023, as detailed in the preceding paragraphs.

Liquidity

For fiscal year 2023-24, 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)

Statement of Net Position

March 31, 2023

Assets and Deferred Outflows of Resources

Current assets:		
Cash and cash equivalents	$	25,556,210
Contractual services and fees receivable		1,921,991
Restricted assets:		
Cash and cash equivalents		608,864,427
Interest receivable on bonds and direct financings		75,556,570
Interest receivable on cash and cash equivalents and investments		20,828,086
Annual fees receivable		13,789,396
Prepaid expense		885,000
Short-term financings receivable, net		233,739,272
Direct financings receivable		131,225,119
Bonds receivable		400,052,733
Other restricted funds		262,909
Total current assets		1,512,681,713
Noncurrent assets:		
Restricted assets:		
Investments		2,053,386,416
Short-term financings receivable, net		467,071,928
Direct financings receivable		3,315,705,264
Bonds receivable		6,305,554,641
Net pension asset		2,197,707
Total noncurrent assets		12,143,915,956
Total assets		13,656,597,669
Deferred outflows of resources related to pensions and OPEB		11,114,346
Total assets and deferred outflows of resources	$	13,667,712,015

(Continued)

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

Statement of Net Position

March 31, 2023

Liabilities, Deferred Inflows of Resources and Net Position

Current liabilities:		
Accrued interest on bonds	$	66,927,717
Accrued interest subsidy		26,515,426
Bonds payable		325,965,000
Other restricted funds		262,909
Accounts payable and accrued expenses		26,534,968
Debt service funds payable		5,132,275
Other liabilities		144,944,978
Other post-employment benefits		1,058,771
Total current liabilities		597,342,044
Noncurrent liabilities:		
Bonds payable		5,292,599,500
Other post-employment benefits		37,587,214
Total noncurrent liabilities		5,330,186,714
Total liabilities		5,927,528,758
Deferred inflows of resources related to pensions and OPEB		26,391,844
Total liabilities and deferred inflows of resources		5,953,920,602
Net position:		
Restricted for revolving loan fund programs		7,703,922,586
Unrestricted		9,868,827
Total net position	$	7,713,791,413

See accompanying notes to basic financial statements.

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

Statement of Revenues, Expenses, and Changes in Net Position

Year ended March 31, 2023

Operating revenues:	
Interest income on bonds and direct financings receivable	$ 246,869,273
Bond financing and administrative fees	18,328,476
Administrative grant revenues	6,354,373
Contract service fees	12,235
Other revenues	9,925
Total operating revenues	271,574,282
Operating expenses:	
Interest expense on bonds payable	231,071,329
Interest subsidy provided	55,970,325
Administrative costs	14,462,155
Total operating expenses	301,503,809
Operating loss	(29,929,527)
Nonoperating revenues:	
Project grant revenues	425,998,071
Investment income	37,270,221
State assistance payments revenue	165,420,756
Total nonoperating revenues	628,689,048
Nonoperating expenses:	
Grants disbursed	68,686,370
State assistance payments expense	165,420,756
Total nonoperating expenses	234,107,126
Increase in net position	364,652,395
Beginning net position	7,349,139,018
Ending net position	$ 7,713,791,413

See accompanying notes to basic financial statements.

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

Statement of Cash Flows

Year ended March 31, 2023

Cash flows from operating activities:	
Bond financing fees and administrative grant revenue	$ 22,510,998
Personal services expense	(9,427,820)
Fringe benefits expense	(2,584,434)
Other administrative expenses	(9,561,866)
Other, net	57,566,314
Net cash provided by operating activities	58,503,192
Cash flows from noncapital financing activities:	
Proceeds from bonds issued	739,780,000
Principal payments on bonds payable	(530,358,954)
Interest paid on bonds payable	(231,367,642)
Grants disbursed	(68,686,370)
Contributions received from the U.S. Environmental Protection Agency	368,870,846
Contributions received from New York State	57,127,225
Net cash provided by noncapital financing activities	335,365,105
Cash flows from investing activities:	
Net proceeds from maturities of investments	(83,184,005)
Interest income on investments	30,845,578
Bonds purchased	(1,060,205,297)
Bonds repayments received	607,830,659
Short-term financing disbursements	(977,452,499)
Short-term financing repayments received	1,638,977,390
Direct financings issued	(677,551,774)
Direct financing repayments received	269,786,334
Interest income on bonds and direct financings receivable	241,911,361
Interest subsidy provided	(56,864,381)
Debt service funds received	2,154,340
Debt service funds paid	(2,246,929)
Net cash used in investing activities	(65,999,223)
Net increase in cash and cash equivalents	327,869,074
Cash and cash equivalents, beginning of year	306,551,563
Cash and cash equivalents, end of year	$ 634,420,637

(Continued)

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

Statement of Cash Flows

Year ended March 31, 2023

Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (29,929,527)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Interest income on bonds and direct financings receivable	(246,869,273)
Interest expense	231,071,329
Interest subsidy provided	55,970,325
Changes in assets and liabilities that provide (use) cash:	
Contractual services and fees receivable	(1,877,862)
Annual fees receivable	(306,224)
Accounts payable and accrued expenses	3,988,173
Other assets and liabilities	57,556,385
Other post-employment benefits	(11,100,134)
Net cash provided by operating activities	$ 58,503,192

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 $2.5 billion in state appropriations have been made available for drinking water and clean water infrastructure capital projects, including $500 million in the fiscal year 2023 Executive Budget.

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. 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;

2. 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 basic 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, 2023, 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, 2023, 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 investment 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 basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements 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 statement 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 statement 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 basic 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. EFC has adopted a policy of recognizing interest income on bonds receivable from below market rate financings at the amount received from borrowers. Nonoperating expenses include program grants.

(h) Recently Adopted Accounting Principals

During the year ended March 31, 2023 EFC adopted GASB 87, *Leases*, and GASB 91, *Conduit Debt Obligations*. There was no material impact to EFC's basic financial statements.

(i) Net Pension Asset

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 asset, 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.

(j) 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, *Accounting and Financial Reporting for Postemployment*. 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. 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. 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. Certain recipient financings are eligible for below market interest rates. Rates are reduced by one-third or one-half the market interest for Drinking Water and Clean Water projects, respectively.

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 statement 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 certain 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.

(Continued)

(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, 2023, cash and cash equivalents and investments held by the Corporation and the associated credit risks and maturities were as follows:

			Investment maturities in years			
Investment type	**Credit risk range**	**Cost/ fair value**	**Less than 1 year**	**1 – 5 years**	**6 – 10 years**	**More than 10 years**
Non-U.S. government backed:						
Guaranteed investment contracts	A – AAA	$ 357,459,354	—	—	77,336,231	280,123,123
Municipal obligations	BBB – AAA	497,509,383	14,547,648	98,148,890	87,090,085	297,722,760
U.S. government backed/sponsored:						
U.S. Treasury bills		709,712,611	709,712,611	—	—	—
U.S. Treasury Notes		128,319,100	29,640,300	98,678,800	—	—
Federal home loan bank discount notes		474,468,058	474,468,058	—	—	—
State and local government series		—	—	—	—	—
Structured debt obligations		215,828,076	32,231,307	112,094,168	61,793,607	9,708,994
		$ 2,383,296,582	1,260,599,924	308,921,858	226,219,923	587,554,877

The following table presents the Corporation's investments that are carried at fair value as of March 31, 2023, based on the fair value hierarchy:

Investment type	Total	Level 1	Level 2	Level 3
Investments at fair value:				
Municipal obligations	$ 497,509,383	—	497,509,383	—
U.S. Treasury Notes	128,319,100	128,319,100	—	—
Total investments by fair value	$ 625,828,483	128,319,100	497,509,383	—

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. 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 2023.

As of March 31, 2023, 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 $165.9 million or 46.4% of the portfolio, Bank of America with $91.9 million or 25.7% of the portfolio, JP Morgan Chase with $77.3 million or 21.6% of the portfolio, and Citigroup with $22.3 million or 6.3% 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:			
2023	$ 544,802,168	156,009,032	700,811,200

Short-term financings receivable mature as follows:

	CWSRF	DWSRF	Total
2024	$ 191,487,787	42,251,485	233,739,272
2025	129,303,801	34,629,419	163,933,220
2026	148,709,984	65,757,954	214,467,938
2027	37,560,935	11,521,623	49,082,558
2028	37,739,662	1,848,551	39,588,213
	$ 544,802,169	156,009,032	700,811,201

(6) Direct Financings Receivable

Direct financings receivables are funded 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 2053.

Direct financings receivable mature as follows:

	CWSRF	DWSRF	Total
Year ended March 31:			
2024	$ 98,020,322	33,204,797	131,225,119
2025	88,494,453	32,673,461	121,167,914
2026	89,572,524	32,763,176	122,335,700
2027	90,513,964	31,971,773	122,485,737
2028	108,128,911	32,151,120	140,280,031
2029-2033	580,338,362	160,600,792	740,939,154
2034-2038	497,478,098	156,270,162	653,748,260
2039-2043	509,358,450	138,070,914	647,429,364
2044-2048	395,807,296	109,307,707	505,115,003
2049-2053	209,304,236	52,899,865	262,204,101
	$ 2,667,016,616	779,913,767	3,446,930,383

(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 basic financial statements. Moneys available and on deposit in the construction funds were $112.9 million at March 31, 2023.

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, 2023:

Bond issue	Range of interest rates	Year of maturity	March 31, 2023
Series 2004C, 4/7/04	3.375–5.25	2033	$ 55,520,000
Series 2010B, 2/11/10	5.707–5.807	2039	111,440,000
Series 2012B, 6/21/12	3.00–5.00	2042	65,040,000
Series 2012C, 6/21/12	2.005–3.684	2029	8,495,000
Series 2012E, 11/15/12	3.00–5.00	2042	98,906,564
Series 2012F, 11/15/12	1.874–2.806	2024	5,930,000
Series 2013A, 7/11/13	3.00–5.00	2033	233,390,000
Series 2013B, 8/1/13	3.50–5.00	2043	175,544,377
Series 2014A, 3/27/14	2.00–5.00	2034	218,630,000
Series 2014B, 7/2/14	2.00–5.00	2044	279,667,269
Series 2015A, 7/2/15	3.00–5.00	2045	158,285,000
Series 2015B, 8/20/15	3.00–5.00	2045	126,555,000
Series 2015C, 8/20/15	1.90–3.82	2030	24,210,000
Series 2015D, 8/20/15	3.00–5.00	2037	190,355,474
Series 2016A, 6/29/16	2.00–5.00	2046	307,670,000
Series 2016B, 9/22/16	3.00–5.00	2046	109,442,761
Series 2016C, 9/22/16	1.211–3.113	2039	22,900,000
Series 2017A, 4/13/17	5.00	2046	346,035,000
Series 2017B, 4/13/17	1.658–3.916	2036	240,545,000
Series 2017C, 11/9/17	3.00–5.00	2047	169,075,000
Series 2017E, 12/14/17	3.00–5.00	2047	217,695,000
Series 2018A, 8/2/18	3.00–5.00	2030	192,030,000
Series 2018B, 11/29/18	3.00–5.00	2048	135,075,000
Series 2019A, 6/13/19	3.00–5.00	2049	231,820,000
Series 2019B, 10/8/19	3.00–5.00	2038	187,545,000
Series 2020A, 4/8/20	4.00–5.00	2049	157,920,000
Series 2020B, 12/17/20	3.00–5.00	2050	174,440,000
Series 2021A, 6/30/21	3.00–5.00	2041	194,990,000
Series 2021B, 12/9/21	4.00–5.00	2051	162,004,604
Series 2022A, 4/21/22	4.00–5.00	2051	325,685,000
Series 2022B, 12/6/22	5.00–5.25	2052	511,115,688
			$ 5,437,956,737

Bond issue	Range of interest rates	Year of maturity		March 31, 2023
Beginning balance			$	5,132,119,863
Bonds issued				841,900,688
Bonds retired				(536,063,814)
Ending balance			$	5,437,956,737

The New York City Municipal Water Finance Authority makes up 59.3% of the CWSRF bonds receivable at March 31, 2023.

Included in CWSRF bonds payable are unamortized bond premiums of $117.8 million at March 31, 2023.

The following is a schedule of DWSRF bonds receivable outstanding at March 31, 2023:

Bond issue	Range of interest rates	Year of maturity		March 31, 2023
Series 2004C, 4/7/04	4.50–5.00	2026	$	1,075,000
Series 2010B, 2/11/10	4.469–5.707	2029		50,630,000
Series 2012B, 6/21/12	3.00–5.00	2032		3,135,000
Series 2012E, 11/15/12	3.00–5.00	2032		5,540,000
Series 2013A, 7/11/13	5.00	2026		2,700,000
Series 2013B, 8/1/13	3.50–5.00	2042		20,251,247
Series 2014A, 3/27/14	5.00	2026		5,145,000
Series 2014B, 7/2/14	2.00–5.00	2044		16,042,820
Series 2015A, 7/2/15	4.00–5.00	2027		6,925,000
Series 2015B, 8/20/15	5.00	2042		9,115,000
Series 2015D, 8/20/15	3.00–5.00	2036		33,939,184
Series 2016A, 6/29/16	2.00–5.00	2046		109,450,000
Series 2016B, 9/22/16	3.00–5.00	2046		45,565,000
Series 2017A, 4/13/17	3.50–5.00	2046		117,675,000
Series 2017B, 4/13/17	1.658–3.366	2029		9,150,000
Series 2017C, 11/9/17	5.00	2047		3,515,000
Series 2017D, 11/9/17	1.885–3.751	2047		12,590,000

Bond issue	Range of interest rates	Year of maturity		March 31, 2023
Series 2017E, 12/14/17	3.00–5.00	2047	$	93,980,000
Series 2018A, 8/2/18	3.00–5.00	2030		37,305,000
Series 2018B, 11/29/18	3.00–5.00	2048		108,330,000
Series 2019A, 6/13/19	3.00–5.00	2049		3,630,000
Series 2019B, 10/8/19	4.00–5.00	2049		128,515,000
Series 2020B, 12/17/20	3.00–5.00	2050		63,140,000
Series 2021A, 6/30/21	3.00–5.00	2041		72,625,000
Series 2021B, 12/9/21	4.00–5.00	2051		90,152,777
Series 2022A, 4/21/22	4.00–5.00	2051		87,320,000
Series 2022B, 12/6/22	5.00–5.25	2052		130,209,609
			$	1,267,650,637
Beginning balance			$	1,121,112,887
Bonds issued				218,304,609
Bonds retired				(71,766,859)
Ending balance			$	1,267,650,637

The New York City Municipal Water Finance Authority makes up 73.6% of the DWSRF bonds receivable at March 31, 2023.

Included in DWSRF bonds payable are unamortized bond premiums of $39.4 million at March 31, 2023.

Defeased in-substance debt outstanding that is no longer recorded on EFC’s statement of net position amounted to $37.0 million at March 31, 2023.

In fiscal 2023, the Corporation issued $739.8 million of State Revolving Funds Revenue Bonds. A portion of the proceeds, including a premium of $72.9 million, was used to redeem one series of previously issued SRF bonds totaling $216.4 million in par value. As a result of refinancing, the underlying borrowers in these transactions will realize $11.5 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:				
2024	$	326,321,265	73,731,468	400,052,733
2025		313,782,112	68,321,985	382,104,097
2026		313,025,788	66,966,184	379,991,972
2027		306,811,504	64,321,000	371,132,504
2028		293,480,034	65,355,000	358,835,034
2029–2033		1,400,628,123	262,445,000	1,663,073,123
2034–2038		1,113,395,150	184,515,000	1,297,910,150
2039–2043		688,290,000	202,960,000	891,250,000
2044–2048		429,142,761	172,185,000	601,327,761
2049–2053		253,080,000	106,850,000	359,930,000
	$	5,437,956,737	1,267,650,637	6,705,607,374

Interest payments on bonds receivable are as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2024	$	226,991,992	55,050,321	282,042,313
2025		213,539,100	51,865,294	265,404,394
2026		200,494,168	48,930,315	249,424,483
2027		187,524,135	46,076,323	233,600,458
2028		174,923,657	43,201,964	218,125,621
2029–2033		694,578,795	175,326,183	869,904,978
2034–2038		413,001,584	130,161,491	543,163,075
2039–2043		223,758,629	87,015,879	310,774,508
2044–2048		83,601,942	35,515,197	119,117,139
2049–2053		27,484,762	11,043,551	38,528,313
	$	2,445,898,764	684,186,518	3,130,085,282

(Continued)

Principal payments on bonds payable mature as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2024	$	263,595,000	62,370,000	325,965,000
2025		252,755,000	59,165,000	311,920,000
2026		255,190,000	58,395,000	313,585,000
2027		255,725,000	56,440,000	312,165,000
2028		241,920,000	57,695,000	299,615,000
2029–2033		1,156,150,000	232,590,000	1,388,740,000
2034–2038		887,225,000	168,925,000	1,056,150,000
2039–2043		500,810,000	190,550,000	691,360,000
2044–2048		386,010,000	192,825,000	578,835,000
2049–2053		117,255,000	65,810,000	183,065,000
	$	4,316,635,000	1,144,765,000	5,461,400,000

Interest payments on bonds payable are as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2024	$	197,665,150	53,587,647	251,252,797
2025		185,558,564	50,541,434	236,099,998
2026		173,578,447	47,667,206	221,245,653
2027		161,451,621	44,837,022	206,288,643
2028		149,636,547	42,013,901	191,650,448
2029–2033		582,737,768	170,194,014	752,931,782
2034–2038		331,704,528	125,610,819	457,315,347
2039–2043		175,335,670	83,431,328	258,766,998
2044–2048		71,396,984	37,226,287	108,623,271
2049–2053		11,252,000	5,911,169	17,163,169
	$	2,040,317,279	661,020,827	2,701,338,106

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, 2023	$	5,437,956,737	1,267,650,637	6,705,607,374
Equity funded bonds receivable		(1,039,556,302)	(83,509,279)	(1,123,065,581)
Series 2017D		35,870,000	—	35,870,000
Premium on bonds payable		(117,635,435)	(39,376,358)	(157,011,793)
Bonds payable, March 31, 2023	$	4,316,635,000	1,144,765,000	5,461,400,000

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. Series 2017D has no associated Bonds Receivable. The above tables represent the reconciliation of bonds receivable to bonds payable outstanding at March 31, 2023. Bonds payable presented in the tables above are inclusive of unamortized bond premiums as of March 31, 2023.

(8) Other Restricted Funds

EFC acts as an administrator for various funds/programs under other restricted funds. At March 31, 2023, EFC's other restricted funds were $263 thousand. 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.

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, 2023:

		DEC	East of Hudson	Total
Balance, March 31, 2022	$	272,283	2,034,687	2,306,970
Receipts:				
Program advances		—	—	—
Interest earnings		486	2,921	3,407
Total receipts		486	2,921	3,407
Disbursements:				
Project expenses		3,860	2,024,129	2,027,989
Administrative expenses		6,000	13,479	19,479
Total disbursements		9,860	2,037,608	2,047,468
Balance, March 31, 2023	$	262,909	—	262,909

(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 basic 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 basic financial statements. Private Activity Bonds outstanding totaled $105 million at March 31, 2023.

(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 are required to contribute a percentage of their gross salary. Members who joined the System before January 1, 2010, are required by law to contribute a percentage of their gross salary for all years of service. The Corporation contributes the balance payable to the System for these employees.

(b) Funding Policy

Funding of the Systems is accomplished through member and employer contributions and investment earnings, according to the New York State Retirement and Social Security Law. Plan members who joined the Systems before July 27, 1976 are not required to make contributions. Those joining on or after July 27, 1976 and before January 1, 2010 who have less than 10 years of service or membership are required to contribute 3% of salary. Those joining on or after January 1, 2010, and before April 1, 2012, are required to contribute 3% throughout active service. Persons joining on or after April 1, 2012, are required to contribute between 3% and 6% throughout active service. Employers are required to contribute at an actuarially determined rate. Fully contributed average employer contribution rate for the Tiers of 14.7% was applicable to the annual covered payroll for the year ended March 31, 2021. EFC's required contribution for the fiscal year ended March 31, 2023 was $902,247 and was 100% of the contribution required.

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

At March 31, 2023, EFC recognized a net pension asset of $2,197,707, for its proportionate share of the System's net pension asset. The net pension asset was measured as of March 31, 2022 and was determined using an actuarial valuation as of April 1, 2021. Update procedures were used to roll forward the net pension asset to March 31, 2022. EFC's proportion of the System's net pension asset 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, 2022, EFC's proportion of the net pension asset of the System was 0.0266047%. EFC recognized pension expense for the year ended March 31, 2023 of $39,962 and is included in Administrative costs in the accompanying basic financial statements. At March 31, 2023, EFC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		2023	
		Deferred outflows of resources	**Deferred inflows of resources**
Differences between expected and actual experience	$	166,435	215,876
Changes of assumptions		3,667,726	61,889
Net difference between projected and actual earnings on pension plan investments		—	7,196,568
Changes in proportion and differences between contributions and proportionate share of contributions		161,108	355,994
Contributions subsequent to measurement date		902,247	—
	$	4,897,516	7,830,327

Contributions of $902,247 are reported as deferred outflows of resources as a result of EFC's contributions subsequent to the measurement date and will be recognized an increase to of the net pension asset in the year ending March 31, 2024. 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:		
2023	$	(636,096)
2024		(896,520)
2025		(1,935,184)
2026		(367,258)
	$	(3,835,058)

(d) Actuarial Assumptions

For the measurement date of March 31, 2022, 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%.

Mortality rates are based on System experience from April 1, 2015 to March 31, 2020, adjusting for improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation of April 1, 2020 used the same assumptions for the measure of total pension liability.

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, 2022 is summarized below:

	2022	
Asset class	**Target allocation**	**Long-term expected real rate of return**
Domestic equity	32 %	3.30 %
International equity	15	5.85
Private equity	10	6.50
Real estate	9	5.00
Opportunistic/Absolute Return Strategy	3	4.10
Credit	4	3.78
Real assets	3	5.58
Fixed income	23	—
Cash	1	(1.00)
	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 2023 of 5.9%, 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 asset for 2023 calculated using the discount rates of 5.9% as well as what EFC's proportionate share of the net pension asset 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)	$ 5,656,868	(2,197,707)	(8,767,676)

(11) Other Post-Employment Benefits

(a) General Information

EFC provides postemployment healthcare benefits for eligible retired employees and their dependents who retire from EFC. EFC is a voluntary participating employer in NYSHIP, which is administered by the State of New York. Article XI of the New York State Civil Service Law assigns the authority to NYSHIP to establish and amend the benefit provisions of the plans and to establish maximum obligations of the plan members to contribute to the plan. NYSHIP is considered a single employer defined benefit plan offered by EFC to its employees.

In order to be eligible, employees must be enrolled as a NYSHIP enrollee or a dependent of a NYSHIP enrollee at the time of retirement from EFC, be eligible to receive a pension from the ERS and to have ten years of State service. In calculating the ten year service requirement, all of the employee's service need not be with EFC, but may be a composite of New York State service elsewhere, with a minimum of one year with EFC immediately preceding retirement. Employees with no prior State service must work a minimum of ten years with EFC before they and their dependents are eligible for the retirement medical benefits.

EFC pays 100% of the cost of single coverage and 75% of the cost of dependent coverage for employees who retired before January 1, 1983. EFC pays 90% of the cost of single coverage and 75% of dependent coverage for employees who retire on or after January 1, 1983. A vestee is a EFC employee vested as a member of the retirement system administered by the State, who has withdrawn from State service after meeting EFC's minimum service requirement but has not met the age requirement for continuing health insurance.

As of the measurement date, there were the following employees covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	67
Inactive employees entitled to but not yet receiving benefit payments	5
Active employees	85
	157

Funding Policy: EFC has not funded a qualified trust or its equivalent as defined in GASB Statement No. 75, therefore benefits are funded on a pay as you go basis. 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.

(b) Actuarial Assumptions and Other Inputs

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, 2022 actuarial valuation, which was used for March 31, 2023 financial reporting, 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. The baseline discount rate of 2.73% as of March 31, 2023 is 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 August 2022 report of the "New York State Development of Recommended Actuarial Assumptions for Other Post Employment Benefit Plans Actuarial Valuations – Participating Employer Version."

Mortality assumptions for the reporting date March 31, 2023 and 2022 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 2022.

(c) 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 $38,645,985 as of March 31, 2023 was measured as of March 31, 2022 and was determined by an actuarial valuation as of March 31, 2022.

		2023
Total OPEB liability:		
Service cost	$	1,590,183
Interest on total OPEB liability		1,219,291
Effect of liability gains and losses		(11,995,774)
Effect of assumption changes		(848,774)
Benefit payments		(1,065,060)
Net change in total OPEB liability		(11,100,134)
Total OPEB liability-beginning of year		49,746,119
Total OPEB liability-ending of year	$	38,645,985

The following presents EFC's total OPEB liability, calculated using the discount rates of 2.73% for 2023 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 2023:

		2023		
		1% Decrease	**Current assumption**	**1% Increase**
Total OPEB liability	$	46,382,587	38,645,985	32,614,334

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:

		2023		
		1% Decrease	**Current trend rate**	**1% Increase**
Total OPEB liability	$	32,527,431	38,645,985	46,676,779

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

For the year ended March 31, 2023, EFC recognized OPEB expense of $529,999 and reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources:		
Changes of assumptions	$	5,290,626
Benefit payments subsequent to the measurement date		926,204
Total deferred outflows of resources	$	6,216,830
Deferred inflows of resources:		
Differences between expected and actual experience	$	16,967,859
Changes of assumptions		1,593,658
Total deferred inflows of resources	$	18,561,517

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending March 31, 2024. 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:		
2024	$	(2,279,475)
2025		(2,337,863)
2026		(2,347,366)
2027		(2,269,803)
2028		(1,925,446)
Thereafter		(2,110,938)
Total	$	(13,270,891)

(12) Commitments and Contingencies

At March 31, 2023, the undisbursed balance of active SRF short-term direct loans and grants closed was $1.2 billion and $52.3 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, 2023, the outstanding balance of the bonds totaled $7.3 million and the balance in the Collateral Reserve account was $2.6 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, 2023, 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, 2023 through June 28, 2023, the date at which the basic financial statements were available to be issued.

On May 18, 2023, EFC issued $150,960,000 of New York State Environmental Facilities Corporation State Clean and Drinking Water Revolving Fund Revenue Bonds, Series 2023A (2010 Master Financing Program). The 2023A bonds have interest rates of 5.00% a final maturity of May 15, 2043.

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, 2023

		2023	2022	2021	2020	2019	2018
Share of net pension liability		0.2688490 %	0.0266047 %	0.0309794 %	0.0334003 %	0.0331066 %	0.0310347 %
Proportionate share of the net pension liability (asset)	$	(2,197,707)	26,491	8,203,519	2,366,512	1,068,497	2,916,092
Covered payroll		8,417,325	8,201,732	8,181,673	8,609,034	8,936,103	8,907,716
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll		(26.1)%	0.3 %	100.3 %	27.5 %	12.0 %	32.7 %
Plan fiduciary net position as a percentage of the total pension liability		103.7 %	100.0 %	86.4 %	100.4 %	98.2 %	94.7 %

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, 2023

	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 902,247	1,311,796	1,154,850	1,250,737	1,308,955	1,282,460
Contributions in relation to the contractually required contribution	902,247	1,311,796	1,154,850	1,250,737	1,308,955	1,282,460
Contribution deficiency (excess)	$ —	—	—	—	—	—
Covered payroll	$ 9,527,997	8,417,325	8,201,732	8,181,673	8,609,034	8,936,103
Contributions as a percentage of covered payroll	9.5 %	15.6 %	14.1 %	15.3 %	15.2 %	14.4 %

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, 2023

	2023	2022	2021	2020
Total OPEB liability:				
Service cost	$ 1,590,183	1,608,713	1,528,793	1,484,265
Interest on total OPEB liability	1,219,291	1,139,672	1,904,428	1,830,021
Effect of plan changes	—	—	—	—
Effect of liability gains and losses	(11,995,774)	—	(11,764,637)	(145,003)
Effect of assumption changes or inputs	(848,774)	(1,160,345)	9,127,656	856,108
Benefit payments	(1,065,060)	(878,044)	(960,169)	(763,330)
Net change in total OPEB liability	(11,100,134)	709,996	(163,929)	3,262,061
Total OPEB liability-beginning	49,746,119	49,036,123	49,200,052	45,937,991
Total OPEB liability-ending	$ 38,645,985	49,746,119	49,036,123	49,200,052
Covered employee payroll	$ 8,417,375	8,201,732	8,181,673	8,609,034
Net OPEB liability as a percentage of covered employee payroll	459 %	607 %	599 %	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, 2023

Assets and Deferred Outflows of Resources	Corporate activities	CWSRF	DWSRF	Total
Current assets:				
Cash and cash equivalents	$ 25,556,210	—	—	25,556,210
Contractual services and fees receivable	1,921,991	—	—	1,921,991
Restricted assets:				
Cash and cash equivalents	—	392,248,161	216,616,266	608,864,427
Interest receivable on bonds and direct financings	—	61,170,897	14,385,673	75,556,570
Interest receivable on cash and cash equivalents and investments	596,093	17,519,168	2,712,825	20,828,086
Annual fees receivable	—	12,501,156	1,288,240	13,789,396
Prepaid expense	—	820,000	65,000	885,000
Short-term financings receivable	—	191,487,787	42,251,485	233,739,272
Direct financing receivable	—	98,020,322	33,204,797	131,225,119
Bonds receivable	—	326,321,265	73,731,468	400,052,733
Other restricted funds	262,909	—	—	262,909
Total current assets	28,337,203	1,100,088,756	384,255,754	1,512,681,713
Noncurrent assets:				
Restricted assets:				
Investments	—	1,804,571,807	248,814,609	2,053,386,416
Short-term financings receivable	—	353,314,381	113,757,547	467,071,928
Direct financings receivable	—	2,568,996,295	746,708,969	3,315,705,264
Bonds receivable	—	5,111,635,472	1,193,919,169	6,305,554,641
Net pension asset	452,769	1,362,532	382,406	2,197,707
Total noncurrent assets	452,769	9,839,880,487	2,303,582,700	12,143,915,956
Total assets	28,789,972	10,939,969,243	2,687,838,454	13,656,597,669
Deferred outflows of resources related to pensions and OPEB liability	1,351,423	8,025,868	1,737,055	11,114,346
Total assets and deferred outflow of resources	$ 30,141,395	10,947,995,111	2,689,575,509	13,667,712,015

See accompanying independent auditors' report.

(Continued)

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

Other Supplementary Information – Combining Schedule of Net Position

March 31, 2023

Liabilities, Deferred Inflows of Resources and Net Position		Corporate activities	CWSRF	DWSRF	Total
Current liabilities:					
Accrued interest payable on bonds	$	—	52,738,722	14,188,995	66,927,717
Accrued interest subsidy		—	24,149,142	2,366,284	26,515,426
Bonds payable		—	263,595,000	62,370,000	325,965,000
Other restricted funds		262,909	—	—	262,909
Accounts payable and accrued expenses		11,213,913	12,777,468	2,543,587	26,534,968
Interfund balances		(1,169,028)	959,167	209,861	—
Debt service funds payable			4,302,243	830,032	5,132,275
Other liabilities		—	111,423,684	33,521,294	144,944,978
Other post-employment benefits		211,754	804,666	42,351	1,058,771
Total current liabilities		10,519,548	470,750,092	116,072,404	597,342,044
Noncurrent liabilities:					
Bonds payable		—	4,170,828,141	1,121,771,359	5,292,599,500
Other post-employment benefits		5,412,886	25,611,892	6,562,436	37,587,214
Total noncurrent liabilities		5,412,886	4,196,440,033	1,128,333,795	5,330,186,714
Total liabilities		15,932,434	4,667,190,125	1,244,406,199	5,927,528,758
Deferred inflows of resources related to pensions and OPEB liability		4,340,134	17,678,170	4,373,540	26,391,844
Total liabilities and deferred inflows of resources		20,272,568	4,684,868,295	1,248,779,739	5,953,920,602
Net position:					
Restricted for revolving loan fund programs		—	6,263,126,816	1,440,795,770	7,703,922,586
Unrestricted		9,868,827	—	—	9,868,827
Total net position	$	9,868,827	6,263,126,816	1,440,795,770	7,713,791,413

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

Year ended March 31, 2023

	Corporate activities	CWSRF	DWSRF	Total
Operating revenues:				
Interest income on bonds and direct financings receivable	$ —	196,659,835	50,209,438	246,869,273
Bond financing and administrative fees	77,000	13,728,623	4,522,853	18,328,476
Administrative grant revenues	36,600	5,173,053	1,144,720	6,354,373
Indirect cost and other recoveries	1,912,994	(1,484,548)	(428,446)	—
Contract service fees	12,235	—	—	12,235
Other revenues	9,925	—	—	9,925
Total operating revenues	2,048,754	214,076,963	55,448,565	271,574,282
Operating expenses:				
Interest expense on bonds payable	—	182,684,380	48,386,949	231,071,329
Interest subsidy provided	—	51,626,988	4,343,337	55,970,325
Administrative costs	2,950,158	8,816,690	2,695,307	14,462,155
Total operating expenses	2,950,158	243,128,058	55,425,593	301,503,809
Operating gain (loss)	(901,404)	(29,051,095)	22,972	(29,929,527)
Nonoperating revenues:				
Project grant revenues	—	387,044,390	38,953,681	425,998,071
Investment income	2,336,182	33,261,480	1,672,559	37,270,221
State assistance payments revenue	8,041,112	66,991,999	90,387,645	165,420,756
Total nonoperating revenues	10,377,294	487,297,869	131,013,885	628,689,048
Nonoperating expenses:				
Grants disbursed	—	61,122,233	7,564,137	68,686,370
State assistance payments expense	8,041,112	66,991,999	90,387,645	165,420,756
Total nonoperating expenses	8,041,112	128,114,232	97,951,782	234,107,126
Increase in net position	1,434,778	330,132,542	33,085,075	364,652,395
Beginning net position	8,434,049	5,932,994,274	1,407,710,695	7,349,139,018
Ending net position	$ 9,868,827	6,263,126,816	1,440,795,770	7,713,791,413

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

Year ended March 31, 2023

	Corporate activities	CWSRF	DWSRF	Total
Cash flows from operating activities:				
Bond financing and administrative fees	$ 160,967	17,229,568	5,120,463	22,510,998
Personal services expense	(1,946,299)	(5,823,035)	(1,658,486)	(9,427,820)
Fringe benefits expense	(169,937)	(1,982,417)	(432,080)	(2,584,434)
Other administrative expenses	(731,445)	(6,625,329)	(2,205,092)	(9,561,866)
Other, net	1,792,724	45,924,974	9,848,616	57,566,314
Net cash (used in) provided by operating activities	(893,990)	48,723,761	10,673,421	58,503,192
Cash flows from noncapital financing activities:				
Proceeds from bonds issued	—	566,750,000	173,030,000	739,780,000
Payments on bonds payable	—	(471,510,041)	(58,848,913)	(530,358,954)
Interest paid on bonds payable	—	(183,608,840)	(47,758,802)	(231,367,642)
Grants disbursed	—	(61,122,233)	(7,564,137)	(68,686,370)
Contributions received from the U.S. EPA	—	334,558,554	34,312,292	368,870,846
Contributions received from New York State	—	52,485,836	4,641,389	57,127,225
Net cash provided by noncapital financing activities	—	237,553,276	97,811,829	335,365,105
Cash flows from investing activities:				
Net proceeds from maturities of investments	—	(121,710,117)	38,526,112	(83,184,005)
Interest income on investments	1,740,089	28,690,826	414,663	30,845,578
Bonds purchased	—	(841,900,688)	(218,304,609)	(1,060,205,297)
Bonds repayments received	—	536,063,802	71,766,857	607,830,659
Short-term financing disbursements	—	(789,211,461)	(188,241,038)	(977,452,499)
Short-term financing repayments received	—	1,310,546,911	328,430,479	1,638,977,390
Direct financings issued	—	(592,115,636)	(85,436,138)	(677,551,774)
Direct financing repayments received	—	230,582,922	39,203,412	269,786,334
Interest income on bonds and direct financings receivable	—	192,241,135	49,670,226	241,911,361
Interest subsidy provided	—	(52,595,334)	(4,269,047)	(56,864,381)
Debt service funds received	—	1,439,829	714,511	2,154,340
Debt service funds paid	—	(1,846,770)	(400,159)	(2,246,929)
Net cash (used in) provided by investing activities	1,740,089	(99,814,581)	32,075,269	(65,999,223)
Net increase in cash and cash equivalents	846,099	186,462,456	140,560,519	327,869,074
Cash and cash equivalents, beginning of year	24,710,111	205,785,705	76,055,747	306,551,563
Cash and cash equivalents, end of year	$ 25,556,210	392,248,161	216,616,266	634,420,637

(Continued)

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

Other Supplementary Information – Combining Schedule of Cash Flows

Year ended March 31, 2023

		Corporate activities	CWSRF	DWSRF	Total
Reconciliation of operating gain (loss) to net cash (used in) provided by operating activities:					
Operating gain (loss)	$	(901,404)	(29,051,095)	22,972	(29,929,527)
Adjustments to reconcile operating gain (loss) to net cash (used in) provided by operating activities:					
Interest income on bonds and direct financings receivable		—	(196,659,835)	(50,209,438)	(246,869,273)
Interest expense		—	182,684,380	48,386,949	231,071,329
Interest subsidy provided		—	51,626,988	4,343,337	55,970,325
Changes in assets and liabilities that provide (use) cash:					
Contractual services and fees receivable		(1,877,862)	—	—	(1,877,862)
Annual fees receivable		—	(187,560)	(118,664)	(306,224)
Accounts payable and accrued expenses		2,389,326	1,267,744	331,103	3,988,173
Interfund balances		(409,656)	344,946	64,710	—
Other assets and liabilities		2,192,452	45,580,028	9,783,905	57,556,385
Other post-employment benefits		(2,286,846)	(6,881,835)	(1,931,453)	(11,100,134)
Net cash (used in) provided by operating activities	$	(893,990)	48,723,761	10,673,421	58,503,192

See accompanying independent auditors' report.