KPMG

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

Basic Financial Statements

March 31, 2024

(With Independent Auditors' Report Thereon)

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(A Component Unit of the State of New York)

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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, 2024, 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, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 are 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 26,2024 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 26, 2024

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. EFC supports 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 (GASB).

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 SRFs 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. The Infrastructure Investment and Jobs Act of 2021, also known as the Bipartisan Infrastructure Law ("BIL"), is an investment by the federal government in our nation's core infrastructure priorities, including water infrastructure, which will add significant funds to both the CWSRF and DWSRF. All BIL-funded projects serve the purpose of constructing infrastructure and creating jobs.

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 33% interest rate subsidy, which saves communities money on interest costs.

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

Water Infrastructure Improvement Acts/Clean Water Infrastructure Act of 2017

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

The New York State 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 – 2024

- Total assets and deferred outflows of resources increased by $544.5 million or 4.0% from $13.7 billion to $14.2 billion.
- Net position increased by $751.8 million from $7.7 billion to $8.5 billion
- Investment income increased by $102.1 million or 273.9% from $37.3 million to $139.4 million.
- Project grant revenues increased by $248.7 million from $426.0 million to $674.7 million.
- Grants disbursed decreased by $35.1 million from $68.6 million to $33.5 million.
- The Corporation issued three series of SRF bonds in an aggregate principal amount of $539.0 million.

SRF Program Activity

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

2024				
Series	**Closed**	**CWSRF**	**DWSRF**	**Total**
2023A	5/13/2023	$ 137,855,000	13,105,000	150,960,000
2023B	6/29/2023	229,065,000	72,615,000	301,680,000
2023C	12/5/2023	67,725,000	18,660,000	86,385,000
		$ 434,645,000	104,380,000	539,025,000

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

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:

	2024		
	CWSRF	**DWSRF**	**Total**
Leveraged financings	$ 678,153,699	117,566,978	795,720,677
Long-term direct financings	369,862,214	64,197,586	434,059,800
Short-term direct financings	356,202,276	122,000,000	478,202,276
Grants	41,723,961	4,309,741	46,033,702
	$ 1,445,942,150	308,074,305	1,754,016,455

	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

A summary of the WIIA/CWIA financing for Clean Water (CW) and Drinking Water (DW) that occurred is as follows:

	2024		
	CW	**DW**	**Total**
Grants	$ 119,313,686	157,589,411	276,903,097
Short-term loans	1,854,920	—	1,854,920
	$ 121,168,606	157,589,411	278,758,017

	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

Summary Schedule of Net Position

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

	March 31	
	2024	**2023**
Assets and Deferred Outflows of Resources		
Current assets	$ 1,256,938,656	1,512,681,713
Noncurrent assets	12,945,760,212	12,143,915,956
Total assets	14,202,698,868	13,656,597,669
Deferred outflows of resources	9,566,368	11,114,346
Total assets and deferred outflows of resources	$ 14,212,265,236	13,667,712,015

(Continued)

	March 31	
	2024	2023
Liabilities, Deferred Inflows of Resources, and Net Position		
Current liabilities	$ 554,754,691	597,342,044
Noncurrent liabilities	5,172,470,278	5,330,186,714
Total liabilities	5,727,224,969	5,927,528,758
Deferred inflows of resources	19,463,591	26,391,844
Total liabilities and deferred inflows of resources	5,746,688,560	5,953,920,602
Net position restricted	8,450,423,152	7,703,922,586
Net position unrestricted	15,153,524	9,868,827
Total net position	8,465,576,676	7,713,791,413
Total liabilities, deferred inflows of resources and net position	$ 14,212,265,236	13,667,712,015

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	
	2024	2023
Total operating revenues	$ 263,760,351	271,574,282
Total operating expenses	292,542,205	301,503,809
Operating loss	(28,781,854)	(29,929,527)
Nonoperating revenues	1,060,827,956	628,689,048
Nonoperating expenses	280,260,839	234,107,126
Increase in net position	751,785,263	364,652,395
Beginning net position	7,713,791,413	7,349,139,018
Ending net position	$ 8,465,576,676	7,713,791,413

Statement of Net Position Analysis – 2024

The Corporation's total assets and deferred outflows of resources increased $544.5 million from $13.7 billion as of March 31, 2023 to $14.2 billion as of March 31, 2024. The increase in assets and deferred outflows of resources of $544.5 million was the net result of several factors, primarily additional capitalization grant draws due to increased grant awards for the CWSRF and DWSRF. Included in the net change is a decrease in cash and cash equivalents of $182.8 million, an increase in short-term financings receivable of $340.3 million, an increase in direct financings receivable of $144.9 million, a decrease in bonds receivable of $152.0 million, as well as an increase in investments of $394.5 million.

The Corporation's total liabilities and deferred inflows of resources decreased $207.2 million from $5.9 billion as of March 31, 2023 to $5.7 billion as of March 31, 2024. The decrease in liabilities and deferred inflows of resources of $207.2 million was primarily the net result of several factors, which include a decrease in bonds payable of $167.7 million, a decrease in accrued interest expense and interest subsidy of $12.7 million, a decrease in accounts payable and accrued expenses of $4.3 million, a decrease in OPEB liability of $3.5 million, a decrease in deferred inflows of resources related to pensions and OPEB of $6.9 million, as well as a decrease in other liabilities of $9.5 million.

The Corporation's total net position increased $751.8 million from $7.7 billion to $8.5 billion.

Changes in Net Position Analysis – 2024

During the year ended March 31, 2024, the Corporation recorded an operating loss of $28.8 million as compared to an operating loss of $29.9 million during the year ended March 31, 2023. The decrease in operating loss of $1.1 million was primarily the net result of a $9.0 million decrease in operating expenses offset with a $7.8 million decrease in operating revenue. Operating expenses decreased primarily due to an increase in interest expense on bonds payable of $2.0 million, an increase in administrative costs of $3.2 million and a decrease in interest subsidy provided of $14.1 million. Operating revenue decreased primarily due to a decrease in interest income on bonds and direct financings of $7.6 million. 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, partially offset by higher interest rates. A resulting decrease in subsidy expense is reflected in these results.

The Corporation recorded project grant revenues in its statement of revenues, expenses, and changes in net position of $674.7 million during the year ended March 31, 2024 as compared to $426.0 million during the year ended March 31, 2023. The increase in project grant revenues of $248.7 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 $102.1 million and a decrease in grants disbursed of $35.1 million. The Corporation recorded an unrealized loss in the change in fair value on our long-term investment portfolio of $10.3 million for the year ended March 31, 2024 as compared to an unrealized loss of $49.7 million for the year ended March 31, 2023.

Overall, the Corporation recorded an increase in net position of $751.8 million for the year ended March 31, 2024 as compared to $364.7 million for the year ended March 31, 2023. The increase in the change in net position of $751.8 million year over year is primarily the result of increased investment income, a decrease in grants disbursed and increased project grant revenues from the federal capitalization grant awards in the year ending March 31, 2024, 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 SRFs 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, 2024

Assets and Deferred Outflows of Resources

Current assets:		
Cash, cash equivalents, and investments	$	12,483,536
Contractual services and fees receivable		2,158,573
Restricted assets:		
Cash, cash equivalents, and Investments		376,033,590
Accounts receivable		1,000,000
Interest receivable on bonds and direct financings		69,140,811
Interest receivable on cash and cash equivalents and investments		31,048,960
Annual fees receivable		13,044,900
Short-term financings receivable, net		232,463,105
Direct financings receivable		125,416,685
Bonds receivable		393,899,097
Other restricted funds		249,399
Total current assets		1,256,938,656
Noncurrent assets:		
Restricted assets:		
Investments		2,511,045,928
Short-term financings receivable, net		808,659,177
Direct financings receivable		3,466,389,827
Bonds receivable		6,159,665,280
Total noncurrent assets		12,945,760,212
Total assets		14,202,698,868
Deferred outflows of resources related to pensions and OPEB		9,566,368
Total assets and deferred outflows of resources	$	14,212,265,236

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

Statement of Net Position

March 31, 2024

Liabilities, Deferred Inflows of Resources and Net Position

Current liabilities:	
Accrued interest on bonds	$ 63,285,553
Accrued interest subsidy	17,439,916
Bonds payable	312,475,000
Other restricted funds	249,399
Accounts payable and accrued expenses	22,234,272
Debt service funds payable	2,589,105
Other liabilities	135,400,968
Other post-employment benefits liabilities	1,080,478
Total current liabilities	554,754,691
Noncurrent liabilities:	
Bonds payable	5,138,369,764
Other post-employment benefits liabilities	34,100,514
Total noncurrent liabilities	5,172,470,278
Total liabilities	5,727,224,969
Deferred inflows of resources related to pensions and OPEB	19,463,591
Total liabilities and deferred inflows of resources	5,746,688,560
Net position:	
Restricted for revolving loan fund programs	8,450,423,152
Unrestricted	15,153,524
Total net position	$ 8,465,576,676

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, 2024

Operating revenues:	
Interest income on bonds and direct financings receivable	$ 239,301,351
Bond financing and administrative fees	17,970,533
Administrative grant revenues	6,479,893
Other revenues	8,574
Total operating revenues	263,760,351
Operating expenses:	
Interest expense on bonds payable	233,046,795
Interest subsidy provided	41,881,458
Administrative costs	17,613,952
Total operating expenses	292,542,205
Operating loss	(28,781,854)
Nonoperating revenues:	
Project grant revenues	674,738,326
Investment income	139,350,868
State assistance payments revenue	246,738,762
Total nonoperating revenues	1,060,827,956
Nonoperating expenses:	
Grants disbursed	33,522,077
State assistance payments expense	246,738,762
Total nonoperating expenses	280,260,839
Increase in net position	751,785,263
Beginning net position	7,713,791,413
Ending net position	$ 8,465,576,676

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, 2024

Cash flows from operating activities:	
Bond financing fees and administrative grant revenue	$ 24,843,340
Personal services expense	(10,561,521)
Fringe benefits expense	(4,735,142)
Other administrative expenses	(10,082,980)
Other, net	(12,718,000)
Net cash used in operating activities	(13,254,303)
Cash flows from noncapital financing activities:	
Proceeds from bonds issued	539,025,000
Principal payments on bonds payable	(706,744,737)
Interest payments on bonds payable	(236,688,959)
Grants disbursed	(33,522,077)
Contributions received from the U.S. Environmental Protection Agency	575,839,618
Contributions received from New York State Department of Environmental Conservation	98,898,708
Net cash provided by noncapital financing activities	236,807,553
Cash flows from investing activities:	
Net proceeds from maturities of investments	(457,659,512)
Interest income on investments	129,129,994
Bonds purchased	(795,720,677)
Bonds repayments received	947,763,672
Short-term financing disbursements	(910,381,078)
Short-term financing repayments received	570,069,995
Direct financings issued	(434,059,800)
Direct financing repayments received	289,183,672
Interest income on bonds and direct financings receivable	245,717,110
Interest subsidy provided	(50,956,967)
Debt service funds received	130,158
Debt service funds paid	(2,673,328)
Net cash used in investing activities	(469,456,761)
Net decrease in cash and cash equivalents	(245,903,511)
Cash and cash equivalents, beginning of year	634,420,637
Cash and cash equivalents, end of year	$ 388,517,126

(Continued)

NEW YORK STATE
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Statement of Cash Flows

Year ended March 31, 2024

Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(28,781,854)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Interest income on bonds and direct financings receivable		(239,301,351)
Interest expense		233,046,795
Interest subsidy provided		41,881,458
Changes in assets and liabilities that provide (use) cash:		
Contractual services and fees receivable		(236,582)
Accounts receivable		(1,000,000)
Annual fees receivable		744,496
Prepaid expense		885,000
Accounts payable and accrued expenses		(4,300,696)
Other assets and liabilities		(12,726,576)
Other post-employment benefits		(3,464,993)
Net cash used in operating activities	$	(13,254,303)

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 the State of New York (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 (CWIA) 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 2024 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.

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, 2024, 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, 2024, 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 (Inter-American Development Bank (IADB)) are considered nonparticipating investment contracts and are therefore recorded at cost. Municipal, Government Agency, and Treasury 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, 2024 EFC adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("*SBITAs") (*GASB 96). GASB 96 defines SBITA, establishes that a SBITA results in a right of use subscription asset – an intangible asset – and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of SBITA, and requires note disclosure regarding a SBITA.

(i) Net Pension Liability

EFC participates in a cost sharing multiple employer pension plan, the New York State and Local Employees' Retirement System (System). GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). GASB 68 requires that a portion of the Plan's net pension liability 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, within other liabilities.

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

(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 up to 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.

(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, 2024, 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	$ 327,740,313	—	—	67,629,389	260,110,924
Municipal obligations	BBB – AAA	463,672,327	42,862,095	68,605,707	132,031,335	220,173,190
U.S. government backed/sponsored:						
U.S. Treasury bills		779,640,892	779,640,892	—	—	—
U.S. Treasury Notes		219,180,077	59,680,500	88,996,800	—	70,502,777
Federal home loan bank discount notes		722,971,689	722,971,689	—	—	—
U.S. government agency bonds		156,564,169	21,572,570	89,064,386	45,927,213	—
Structured debt obligations		33,246,365	2,761,613	19,336,719	8,075,213	3,072,820
		$ 2,703,015,832	1,629,489,359	266,003,612	253,663,150	553,859,711

The following table presents the Corporation's investments that are carried at fair value as of March 31, 2024, based on the fair value hierarchy:

Investment type		Total	Level 1	Level 2	Level 3
Investments at fair value:					
Municipal obligations	$	463,672,327	—	463,672,327	—
U.S. Treasury Notes		219,180,077	219,180,077	—	—
U.S. government agency bonds		156,564,169	—	156,564,169	—
Total investments by fair value	$	839,416,573	219,180,077	620,236,496	—

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 2024.

As of March 31, 2024, 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 $155.2 million or 47.3% of the portfolio, Bank of America with $85.1 million or 26.0% of the portfolio, JP Morgan Chase with $67.6 million or 20.6% of the portfolio, and Citigroup with $19.9 million or 6.1% 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:				
2024	$	654,178,046	386,944,236	1,041,122,282

Short-term financings receivable mature as follows:

		CWSRF	DWSRF	Total
2025	$	167,673,565	64,789,540	232,463,105
2026		362,212,581	88,413,376	450,625,957
2027		41,813,452	32,957,355	74,770,807
2028		79,650,702	5,542,039	85,192,741
2029		2,827,746	195,241,926	198,069,672
	$	654,178,046	386,944,236	1,041,122,282

(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 8.25% and mature through the year 2053.

Direct financings receivable mature as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2025	$	92,723,668	32,693,017	125,416,685
2026		95,461,437	34,073,555	129,534,992
2027		96,477,860	33,323,917	129,801,777
2028		114,169,391	33,544,730	147,714,121
2029		128,800,100	33,437,317	162,237,417
2030–2034		586,914,019	167,939,892	754,853,911
2035–2039		537,017,330	162,217,531	699,234,861
2040–2044		549,399,616	148,391,337	697,790,953
2045–2049		447,200,039	127,592,657	574,792,696
2050–2054		134,427,374	36,001,725	170,429,099
	$	2,782,590,834	809,215,678	3,591,806,512

(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 $100.8 million at March 31, 2024.

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, 2024:

Bond issue	Range of interest rates	Year of maturity	March 31, 2024
Series 2004C, 4/7/04	3.375–5.25	2033	$ 51,115,000
Series 2010B, 2/11/10	5.707–5.807	2039	111,440,000
Series 2012B, 6/21/12	3.00–5.00	2042	8,025,000
Series 2012C, 6/21/12	2.005–3.684	2029	6,130,000
Series 2012E, 11/15/12	3.00–5.00	2042	2,410,000
Series 2012F, 11/15/12	1.874–2.806	2024	2,275,000
Series 2014A, 3/27/14	2.00–5.00	2034	202,550,000
Series 2014B, 7/2/14	2.00–5.00	2044	263,782,269
Series 2015A, 7/2/15	3.00–5.00	2045	151,665,000
Series 2015B, 8/20/15	3.00–5.00	2045	121,060,000
Series 2015C, 8/20/15	1.90–3.82	2030	21,050,000
Series 2015D, 8/20/15	3.00–5.00	2037	171,856,474
Series 2016A, 6/29/16	2.00–5.00	2046	294,890,000
Series 2016B, 9/22/16	3.00–5.00	2046	104,842,761
Series 2016C, 9/22/16	1.211–3.113	2039	20,990,000
Series 2017A, 4/13/17	5.00	2046	329,435,000
Series 2017B, 4/13/17	1.658–3.916	2036	223,430,000
Series 2017C, 11/9/17	3.00–5.00	2047	161,515,000
Series 2017E, 12/14/17	3.00–5.00	2047	213,155,000
Series 2018A, 8/2/18	3.00–5.00	2030	149,455,000
Series 2018B, 11/29/18	3.00–5.00	2048	132,510,000
Series 2019A, 6/13/19	3.00–5.00	2049	223,605,000
Series 2019B, 10/8/19	3.00–5.00	2038	180,410,000
Series 2020A, 4/8/20	4.00–5.00	2049	149,910,000
Series 2020B, 12/17/20	3.00–5.00	2050	166,235,000
Series 2021A, 6/30/21	3.00–5.00	2041	184,535,000
Series 2021B, 12/9/21	4.00–5.00	2051	152,849,000
Series 2022A, 4/21/22	4.00–5.00	2051	298,130,000
Series 2022B, 12/6/22	5.00–5.25	2052	497,307,008
Series 2023A, 5/18/23	2.505–6.306	2043	301,767,020
Series 2023B, 6/29/23	5.00	2053	229,065,000
Series 2023C, 12/5/23	3.551–4.973	2053	136,898,698
			$ 5,264,293,230

Bond issue	Range of interest rates	Year of maturity	March 31, 2024
Beginning balance			$ 5,437,956,737
Bonds issued			678,153,699
Bonds retired			(851,817,206)
Ending balance			$ 5,264,293,230

The New York City Municipal Water Finance Authority makes up 57.7% of the CWSRF bonds receivable at March 31, 2024.

Included in CWSRF bonds payable are unamortized bond premiums of $125.1 million at March 31, 2024.

The following is a schedule of DWSRF bonds receivable outstanding at March 31, 2024:

Bond issue	Range of interest rates	Year of maturity	March 31, 2024
Series 2004C, 4/7/04	4.50–5.00	2026	$ 700,000
Series 2010B, 2/11/10	4.469–5.707	2029	44,435,000
Series 2013B, 8/1/13	3.50–5.00	2042	330,000
Series 2014A, 3/27/14	5.00	2026	2,895,000
Series 2014B, 7/2/14	2.00–5.00	2044	13,077,820
Series 2015A, 7/2/15	4.00–5.00	2027	5,120,000
Series 2015B, 8/20/15	5.00	2042	8,725,000
Series 2015D, 8/20/15	3.00–5.00	2036	28,984,184
Series 2016A, 6/29/16	2.00–5.00	2046	105,415,000
Series 2016B, 9/22/16	3.00–5.00	2046	43,805,000
Series 2017A, 4/13/17	3.50–5.00	2046	113,410,000
Series 2017B, 4/13/17	1.658–3.366	2029	7,055,000
Series 2017C, 11/9/17	5.00	2047	3,395,000
Series 2017D, 11/9/17	1.885–3.751	2047	12,235,000
Series 2017E, 12/14/17	3.00–5.00	2047	91,980,000
Series 2018A, 8/2/18	3.00–5.00	2030	33,015,000
Series 2018B, 11/29/18	3.00–5.00	2048	106,245,000
Series 2019A, 6/13/19	3.00–5.00	2049	3,475,000

Bond issue	Range of interest rates	Year of maturity		March 31, 2024
Series 2019B, 10/8/19	4.00–5.00	2049	$	123,845,000
Series 2020B, 12/17/20	3.00–5.00	2050		60,000,000
Series 2021A, 6/30/21	3.00–5.00	2041		66,070,000
Series 2021B, 12/9/21	4.00–5.00	2051		84,825,000
Series 2022A, 4/21/22	4.00–5.00	2051		86,430,000
Series 2022B, 12/6/22	5.00–5.25	2052		127,507,165
Series 2023A, 5/18/23	2.48–4.693	2042		20,185,000
Series 2023B, 6/29/23	5.00	2053		72,615,000
Series 2023C, 12/5/23	3.551–4.973	2053		23,496,978
			$	1,289,271,147
Beginning balance			$	1,267,650,637
Bonds issued				117,566,978
Bonds retired				(95,946,468)
Ending balance			$	1,289,271,147

The New York City Municipal Water Finance Authority makes up 74.4% of the DWSRF bonds receivable at March 31, 2024.

Included in DWSRF bonds payable are unamortized bond premiums of $37.9 million at March 31, 2024.

Defeased in-substance debt outstanding that is no longer recorded on EFC’s statement of net position amounted to $33.3 million at March 31, 2024.

In fiscal 2024, the Corporation issued $539.0 million of State Revolving Funds Revenue Bonds. A portion of the proceeds, including a premium of $60.2 million, was used to redeem four series of previously issued SRF bonds totaling $386.0 million in par value. As a result of refinancing, the underlying borrowers in these transactions will realize $36.4 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:			
2025	$ 322,302,112	71,596,985	393,899,097
2026	314,883,242	67,187,493	382,070,735
2027	308,917,748	65,766,669	374,684,417
2028	295,620,034	67,165,000	362,785,034
2029	283,860,718	64,795,000	348,655,718
2030–2034	1,396,133,033	244,545,000	1,640,678,033
2035–2039	1,037,632,881	203,810,000	1,241,442,881
2040–2044	666,045,701	219,855,000	885,900,701
2045–2049	481,822,761	209,125,000	690,947,761
2050–2054	157,075,000	75,425,000	232,500,000
	$ 5,264,293,230	1,289,271,147	6,553,564,377

Interest payments on bonds receivable are as follows:

	CWSRF	DWSRF	Total
Year ended March 31:			
2025	$ 220,625,862	56,485,000	277,110,862
2026	207,515,457	53,476,985	260,992,442
2027	194,492,868	50,546,118	245,038,986
2028	181,839,426	47,591,573	229,430,999
2029	169,654,619	44,558,826	214,213,445
2030–2034	666,723,060	184,387,515	851,110,575
2035–2039	395,669,269	139,428,344	535,097,613
2040–2044	216,778,996	91,362,980	308,141,976
2045–2049	86,639,209	40,025,229	126,664,438
2050–2054	14,583,172	7,147,154	21,730,326
	$ 2,354,521,938	715,009,724	3,069,531,662

Principal payments on bonds payable mature as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2025	$	251,960,000	60,515,000	312,475,000
2026		253,250,000	59,730,000	312,980,000
2027		255,975,000	57,850,000	313,825,000
2028		240,690,000	59,190,000	299,880,000
2029		229,715,000	57,095,000	286,810,000
2030–2034		1,139,000,000	217,505,000	1,356,505,000
2035–2039		805,060,000	187,420,000	992,480,000
2040–2044		478,525,000	207,065,000	685,590,000
2045–2049		364,235,000	197,725,000	561,960,000
2050–2054		98,820,000	66,565,000	165,385,000
	$	4,117,230,000	1,170,660,000	5,287,890,000

Interest payments on bonds payable are as follows:

		CWSRF	DWSRF	Total
Year ended March 31:				
2025	$	185,210,434	54,966,197	240,176,631
2026		177,906,292	52,037,094	229,943,386
2027		165,844,716	49,135,235	214,979,951
2028		154,032,292	46,237,015	200,269,307
2029		142,791,349	43,271,697	186,063,046
2030–2034		549,007,357	178,577,953	727,585,310
2035–2039		310,888,502	134,251,071	445,139,573
2040–2044		166,318,082	87,342,598	253,660,680
2045–2049		63,053,847	37,432,802	100,486,649
2050–2054		9,261,906	6,445,425	15,707,331
	$	1,924,314,777	689,697,087	2,614,011,864

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, 2024	$	5,264,293,230	1,289,271,147	6,553,564,377
Equity funded bonds receivable		(1,054,712,622)	(81,185,774)	(1,135,898,396)
Series 2017D		32,435,000	—	32,435,000
Amortization of refunded series		275,169	468,614	743,783
Premium on bonds payable		(125,060,777)	(37,893,987)	(162,954,764)
Bonds payable, March 31, 2024	$	4,117,230,000	1,170,660,000	5,287,890,000

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, 2024. Bonds payable presented in the tables above are inclusive of unamortized bond premiums as of March 31, 2024.

(8) Other Restricted Funds

EFC acts as an administrator for one New York State Department of Environmental Conservation (DEC) Escrow Fund, which is utilized to account for all transactions which occur relative to the agreements between DEC and EFC to administer certain escrow accounts. At March 31, 2024, the balance, categorized under Other Restricted Funds was $249 thousand.

The following is a summary of activities that have occurred within other restricted funds during the year ended March 31, 2024:

		Total
Balance, March 31, 2023	$	262,909
Receipts:		
Interest earnings		1,045
Total receipts		1,045
Disbursements:		
Project expenses	$	8,555
Administrative expenses		6,000
Total disbursements		14,555
Balance, March 31, 2024	$	249,399

(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 are considered conduit debt and not included as obligations in the accompanying basic financial statements of EFC.

Industrial Financing 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. Industrial Financing Bonds outstanding totaled $140 million at March 31, 2024.

(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 after December 31, 2009, 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, 2024 was $1,130,005 and was 100% of the contribution required.

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

At March 31, 2024, EFC recognized a net pension liability of $5,811,100, for its proportionate share of the System's net pension assets. Net pension liability is combined with other liabilities on the Statement of Net Position. The net position asset was measured as of March 31, 2023 and was determined using an actuarial valuation as of April 1, 2022. Update procedures were used to roll forward the net pension asset to March 31, 2023. 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, 2023, EFC's proportion of the net pension asset of the System was 0.0270989%. EFC recognized pension expense for the year ended March 31, 2024 of $1,959,503 and is included in Administrative costs in the accompanying basic financial statements. At March 31, 2024, EFC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$	618,928	163,198
Changes of assumptions		2,822,245	31,191
Net difference between projected and actual earnings on pension plan investments		—	34,140
Changes in proportion and differences between contributions and proportionate share of contributions		131,165	227,318
Contributions subsequent to measurement date		1,130,005	—
	$	4,702,343	455,847

Contributions of $1,130,005 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:		
2024	$	681,993
2025		(365,130)
2026		1,214,626
2027		1,585,003
	$	3,116,491

(d) Actuarial Assumptions

For the measurement date of March 31, 2023, the actuarial assumptions included in the actuarial valuation includes an inflation factor of 2.9%, projected salary increases of 4.4%, cost of living adjustments of 1.5% 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, 2023 is summarized below:

Asset class	Target allocation	Long-term expected real rate of return
Domestic equity	32 %	4.30 %
International equity	15	6.85
Private equity	10	7.50
Real estate	9	4.60
Opportunistic/Absolute Return Strategy Portfolio	3	5.38
Credit	4	5.43
Real assets	3	5.84
Fixed income	23	1.50
Cash	1	—
	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 2024 of 2.5%, 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 2024 calculated using the discount rates of 5.9% as well as what EFC’s proportionate share of the net pension liability (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)	$	14,042,936	5,811,100	(1,067,557)

(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, 2024 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 3.5% as of the measurement date 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, 2022 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, 2024 and 2023 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 No. 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 $35,180,982 as of March 31, 2024 was measured as of March 31, 2023 and was determined by an actuarial valuation as of March 31, 2022.

Total OPEB liability:		
Service cost	$	1,303,013
Interest on total OPEB liability		1,077,964
Effect of assumption changes		(4,919,766)
Benefit payments		(926,204)
Net change in total OPEB liability		(3,464,993)
Total OPEB liability – beginning of year		38,645,985
Total OPEB liability – ending of year	$	35,180,992

The following presents EFC's total OPEB liability, calculated using the discount rates of 3.5% for 2024 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 2024:

		1% Decrease	Current assumption	1% Increase
Total OPEB liability	$	41,760,620	35,180,992	30,013,832

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:

		1% Decrease	Current trend rate	1% Increase
Total OPEB liability	$	29,611,027	35,180,992	42,491,747

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

For the year ended March 31, 2024, EFC recognized OPEB income of $583,701 and reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources:		
Changes of assumptions	$	3,781,766
Benefit payments subsequent to the measurement date		1,082,259
Total deferred outflows of resources	$	4,864,025
Deferred inflows of resources:		
Differences between expected and actual experience	$	13,506,999
Changes of assumptions		5,500,745
Total deferred inflows of resources	$	19,007,744

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:		
2025	$	(3,023,067)
2026		(3,032,570)
2027		(2,955,007)
2028		(2,610,650)
2029		(2,474,139)
Thereafter		(1,130,545)
Total	$	(15,225,978)

(12) Commitments and Contingencies

At March 31, 2024, the undisbursed balance of active SRF short-term direct loans and grants closed was $983.3 million and $727.6 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, 2024, the outstanding balance of the bonds totaled $5.8 million and the balance in the Collateral Reserve account was $7.4 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, 2024, 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, 2024 through June 26, 2024, the date at which the basic financial statements were available to be issued.

On April 2, 2024, EFC issued $717,295,000 of New York State Environmental Facilities Corporation State Clean and Drinking Water Revolving Fund Revenue Bonds, Series 2024A (New York City Municipal Water Finance Authority Projects – Second Resolution Bonds). The 2024A bonds have interest rates ranging from 5.00% to 5.25% a final maturity of June 15, 2053.

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, 2024

	2024	2023	2022	2021	2020	2019	2018
Share of net pension liability	0.0270989 %	0.0268846 %	0.0266047 %	0.0309794 %	0.0334003 %	0.0331066 %	0.0310347 %
Proportionate share of the net pension liability (asset)	$ 5,811,100	(2,197,707)	26,491	8,203,519	2,366,512	1,068,497	2,916,092
Covered payroll	10,606,274	9,527,997	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	54.8 %	(26.1)%	0.3 %	100.3 %	27.5 %	12.0 %	32.7 %
Plan fiduciary net position as a percentage of the total pension liability	90.8 %	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, 2024

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 1,130,005	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	1,130,005	902,247	1,311,796	1,154,850	1,250,737	1,308,955	1,282,460
Contribution deficiency (excess)	$ —	—	—	—	—	—	—
Covered payroll	$ 10,606,274	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	10.7 %	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 (Unaudited)

March 31, 2024

		2024	2023	2022	2021	2020
Total OPEB liability:						
Service cost	$	1,303,013	1,590,183	1,608,713	1,528,793	1,484,265
Interest on total OPEB liability		1,077,964	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		(4,919,766)	(848,774)	(1,160,345)	9,127,656	856,108
Benefit payments		(926,204)	(1,065,060)	(878,044)	(960,169)	(763,330)
Net change in total OPEB liability		(3,464,993)	(11,100,134)	709,996	(163,929)	3,262,061
Total OPEB liability – beginning		38,645,985	49,746,119	49,036,123	49,200,052	45,937,991
Total OPEB liability – ending	$	35,180,992	38,645,985	49,746,119	49,036,123	49,200,052
Covered employee payroll	$	9,527,997	8,417,375	8,201,732	8,181,673	8,609,034
Net OPEB liability as a percentage of covered employee payroll		369 %	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, 2024

Assets and Deferred Outflows of Resources		Corporate activities	CWSRF	DWSRF	Total
Current assets:					
Cash, cash equivalents, and investments	$	12,483,536	—	—	12,483,536
Contractual services and fees receivable		2,158,573	—	—	2,158,573
Restricted assets:					
Cash, cash equivalents, and investments		—	283,595,845	92,437,745	376,033,590
Accounts receivable		—	—	1,000,000	1,000,000
Interest receivable on bonds and direct financings		—	53,730,857	15,409,954	69,140,811
Interest receivable on cash and cash equivalents and investments		441,495	27,873,914	2,733,551	31,048,960
Annual fees receivable			11,706,856	1,338,044	13,044,900
Short-term financings receivable		—	167,673,564	64,789,541	232,463,105
Direct financing receivable		—	92,723,668	32,693,017	125,416,685
Bonds receivable		—	322,302,112	71,596,985	393,899,097
Other restricted funds		249,399	—	—	249,399
Total current assets		15,333,003	959,606,816	281,998,837	1,256,938,656
Noncurrent assets:					
Restricted assets:					
Investments		14,401,067	2,271,556,925	225,087,936	2,511,045,928
Short-term financings receivable		—	486,504,482	322,154,695	808,659,177
Direct financings receivable		—	2,689,867,166	776,522,661	3,466,389,827
Bonds receivable		—	4,941,991,118	1,217,674,162	6,159,665,280
Total noncurrent assets		14,401,067	10,389,919,691	2,541,439,454	12,945,760,212
Total assets		29,734,070	11,349,526,507	2,823,438,291	14,202,698,868
Deferred outflows of resources related to pensions and OPEB		1,110,255	7,099,585	1,356,528	9,566,368
Total assets and deferred outflow of resources	$	30,844,325	11,356,626,092	2,824,794,819	14,212,265,236

(Continued)

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

Other Supplementary Information – Combining Schedule of Net Position

March 31, 2024

Liabilities, Deferred Inflows of Resources and Net Position		Corporate activities	CWSRF	DWSRF	Total
Current liabilities:					
Accrued interest payable on bonds	$	—	49,102,479	14,183,074	63,285,553
Accrued interest subsidy		—	15,816,043	1,623,873	17,439,916
Bonds payable		—	251,960,000	54,020,000	305,980,000
Other restricted funds		249,399	—	—	249,399
Accounts payable and accrued expenses		7,167,214	12,705,660	2,361,398	22,234,272
Interfund balances		(821,967)	654,280	167,687	—
Debt service funds payable		—	2,231,315	357,790	2,589,105
Other liabilities		1,332,082	106,621,141	27,447,745	135,400,968
Other post-employment benefits		216,096	702,311	162,071	1,080,478
Total current liabilities		8,142,824	439,793,229	100,323,638	548,259,691
Noncurrent liabilities:					
Bonds payable		—	3,990,330,777	1,154,533,987	5,144,864,764
Other post-employment benefits		4,614,261	23,531,449	5,954,804	34,100,514
Total noncurrent liabilities		4,614,261	4,013,862,226	1,160,488,791	5,178,965,278
Total liabilities		12,757,085	4,453,655,455	1,260,812,429	5,727,224,969
Deferred inflows of resources related to pensions and OPEB		2,933,716	13,391,811	3,138,064	19,463,591
Total liabilities and deferred inflows of resources		15,690,801	4,467,047,266	1,263,950,493	5,746,688,560
Net position:					
Restricted for revolving loan fund programs		—	6,889,578,826	1,560,844,326	8,450,423,152
Unrestricted		15,153,524	—	—	15,153,524
Total net position	$	15,153,524	6,889,578,826	1,560,844,326	8,465,576,676

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, 2024

		Corporate activities	CWSRF	DWSRF	Total
Operating revenues:					
Interest income on bonds and direct financings receivable	$	—	186,061,566	53,239,785	239,301,351
Bond financing and administrative fees		90,750	14,678,572	3,201,211	17,970,533
Administrative grant revenues		53,124	4,487,329	1,939,440	6,479,893
Indirect cost and other recoveries		2,127,970	(1,743,428)	(384,542)	—
Other revenues		8,574	—	—	8,574
Total operating revenues		2,280,418	203,484,039	57,995,894	263,760,351
Operating expenses:					
Interest expense on bonds payable		—	181,544,832	51,501,963	233,046,795
Interest subsidy provided		—	38,805,675	3,075,783	41,881,458
Administrative costs		3,558,582	11,205,717	2,849,653	17,613,952
Total operating expenses		3,558,582	231,556,224	57,427,399	292,542,205
Operating gain (loss)		(1,278,164)	(28,072,185)	568,495	(28,781,854)
Nonoperating revenues:					
Project grant revenues		—	568,966,806	105,771,520	674,738,326
Investment income		6,562,861	111,535,618	21,252,389	139,350,868
State assistance payments revenue		24,435,830	102,550,355	119,752,577	246,738,762
Total nonoperating revenues		30,998,691	783,052,779	246,776,486	1,060,827,956
Nonoperating expenses:					
Grants disbursed		—	25,978,229	7,543,848	33,522,077
State assistance payments expense		24,435,830	102,550,355	119,752,577	246,738,762
Total nonoperating expenses		24,435,830	128,528,584	127,296,425	280,260,839
Increase in net position		5,284,697	626,452,010	120,048,556	751,785,263
Beginning net position		9,868,827	6,263,126,816	1,440,795,770	7,713,791,413
Ending net position	$	15,153,524	6,889,578,826	1,560,844,326	8,465,576,676

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, 2024

	Corporate activities	CWSRF	DWSRF	Total
Cash flows from operating activities:				
Bond financing and administrative grant revenue	$ 2,035,262	19,036,773	3,771,305	24,843,340
Personal services expense	(2,354,748)	(6,674,475)	(1,532,298)	(10,561,521)
Fringe benefits expense	(889,278)	(3,088,960)	(756,904)	(4,735,142)
Other administrative expenses	(5,155,536)	(3,696,888)	(1,230,556)	(10,082,980)
Other, net	975,234	(7,104,971)	(6,588,263)	(12,718,000)
Net cash used in operating activities	(5,389,066)	(1,528,521)	(6,336,716)	(13,254,303)
Cash flows from noncapital financing activities:				
Proceeds from bonds issued	—	434,645,000	104,380,000	539,025,000
Payments on bonds payable	—	(626,777,364)	(79,967,373)	(706,744,737)
Interest paid on bonds payable	—	(185,181,075)	(51,507,884)	(236,688,959)
Grants disbursed	—	(25,978,229)	(7,543,848)	(33,522,077)
U.S. Department of Environmental Protection Agency	—	474,139,005	101,700,613	575,839,618
Contributions received from New York State Department of Environmental Conservation	—	94,827,801	4,070,907	98,898,708
Net cash provided by noncapital financing activities	—	165,675,138	71,132,415	236,807,553
Cash flows from investing activities:				
Net proceeds from maturities of investments	(14,401,067)	(466,985,118)	23,726,673	(457,659,512)
Interest income on investments	6,717,459	101,180,872	21,231,663	129,129,994
Bonds purchased	—	(678,153,699)	(117,566,978)	(795,720,677)
Bonds repayments received	—	851,817,203	95,946,469	947,763,672
Short-term financing disbursements	—	(515,585,659)	(394,795,419)	(910,381,078)
Short-term financing repayments received	—	406,209,780	163,860,215	570,069,995
Direct financings issued	—	(369,862,214)	(64,197,586)	(434,059,800)
Direct financing repayments received	—	254,287,997	34,895,675	289,183,672
Interest income on bonds and direct financings receivable	—	193,501,606	52,215,504	245,717,110
Interest subsidy provided	—	(47,138,773)	(3,818,194)	(50,956,967)
Debt service funds received	—	21,470	108,688	130,158
Debt service funds paid	—	(2,092,398)	(580,930)	(2,673,328)
Net cash used in investing activities	(7,683,608)	(272,798,933)	(188,974,220)	(469,456,761)
Net decrease in cash and cash equivalents	(13,072,674)	(108,652,316)	(124,178,521)	(245,903,511)
Cash and cash equivalents, beginning of year	25,556,210	392,248,161	216,616,266	634,420,637
Cash and cash equivalents, end of year	$ 12,483,536	283,595,845	92,437,745	388,517,126

(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, 2024

	Corporate activities	CWSRF	DWSRF	Total
Reconciliation of operating (loss) gain to net cash used in operating activities:				
Operating (loss) gain	$ (1,278,164)	(28,072,185)	568,495	(28,781,854)
Adjustments to reconcile operating (loss) gain to net cash used in operating activities:				
Interest income on bonds and direct financings receivable	—	(186,061,566)	(53,239,785)	(239,301,351)
Interest expense	—	181,544,832	51,501,963	233,046,795
Interest subsidy provided	—	38,805,675	3,075,783	41,881,458
Changes in assets and liabilities that provide (use) cash:				
Contractual services and fees receivable	(236,582)	—	(1,000,000)	(1,236,582)
Annual fees receivable	—	794,300	(49,804)	744,496
Prepaid expense	—	820,000	65,000	885,000
Accounts payable and accrued expenses	(4,046,699)	(71,808)	(182,189)	(4,300,696)
Interfund balances	347,061	(304,887)	(42,174)	—
Other assets and liabilities	619,601	(6,800,084)	(6,546,093)	(12,726,576)
Other post-employment benefits	(794,283)	(2,182,798)	(487,912)	(3,464,993)
Net cash used in operating activities	$ (5,389,066)	(1,528,521)	(6,336,716)	(13,254,303)

See accompanying independent auditors' report.