



**Environmental  
Facilities Corporation**

**KATHY HOCHUL**  
Governor

**MAUREEN A. COLEMAN**  
President and CEO

June 28, 2024

The Honorable Kathy Hochul  
Governor  
State of New York

The Honorable Liz Krueger  
Chair  
Senate Finance Committee

The Honorable Helene E. Weinstein  
Chair  
Assembly Ways and Means Committee

The Honorable Thomas F. O'Mara  
Ranking Member  
Senate Finance Committee

The Honorable Edward P. Ra  
Ranking Member  
Assembly Ways and Means Committee

The Honorable Thomas P. DiNapoli  
Comptroller  
State of New York

Mr. Jeffrey Pearlman, Esq.  
Acting Director  
New York State Authorities Budget Office

In accordance with the requirements of Section 2800 of the Public Authorities Law, the New York State Environmental Facilities Corporation respectfully submits its annual report for fiscal year 2023-2024.

Sincerely,

A handwritten signature in black ink, appearing to read "Maureen A. Coleman". The signature is fluid and cursive, written over a white background.

Maureen A. Coleman  
President and CEO

Enclosure

c: Interim Commissioner Sean Mahar, Chair

**The New York State Environmental Facilities Corporation**  
**Public Authorities Law Compliance Report**  
**State Fiscal Year, April 1, 2023 – March 31, 2024**

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

The Environmental Facilities Corporation (EFC or Corporation) is a public benefit corporation that provides financial and technical assistance primarily to municipalities by providing low-cost financing for their water quality infrastructure projects. EFC administers a number of programs, including managing the most successful State Revolving Funds in the nation. These programs, including the Wastewater Infrastructure Engineering Planning Grant Program and the Green Innovation Grant Program, have provided over \$48.2 billion in low-cost financing and grants for approximately 3,667 water and sewer infrastructure projects across New York State.

## **Statutory Authority**

*EFC is a public benefit corporation created by chapter 744 of the laws of 1970 (the “EFC Act,” codified in Title 12 of Article 5 of the Public Authorities Law, as amended). EFC is a separate entity apart from the State without any power of taxation. The statute permits EFC to, among other things:*

- Administer and finance the State Revolving Funds (SRFs) established by the State as set forth in the EFC Act pursuant to the Federal Water Quality Act of 1987 and the Federal Safe Drinking Water Act Amendments of 1996; and
- Render technical advice and assistance to private entities, State agencies, and local government units on sewage treatment and collection, pollution control, hazardous waste abatement, solid waste disposal and other related subjects.

## **The New York State Revolving Funds**

The SRFs are capitalized with Federal dollars and matching funds from the State. EFC uses this capital along with proceeds from its AAA/Aaa rated bond sales to lend to

municipalities at low-interest and subsidized interest rates. In the case of communities suffering economic hardship, the SRFs may provide interest-free loans and grants.

### **Clean Water State Revolving Fund (CWSRF)**

In State Fiscal Year (SFY) 2023-24, EFC closed \$1.5 billion in CWSRF financial assistance agreements for 191 clean water infrastructure projects.

Since inception of the program in 1987, the CWSRF has provided over \$38 billion in financial assistance to over 600 recipients for over 2,400 clean water infrastructure projects that protect and improve water quality and public health throughout the State.

As of March 31, 2023, the total net position of the CWSRF was \$6.2 billion.

### **Drinking Water State Revolving Fund (DWSRF)**

In SFY 2023-24, EFC closed \$757 million in financial assistance agreements for 78 drinking water projects, including \$3.5 million in DWSRF grants to 4 disadvantaged communities.

Since inception of the DWSRF program in 1996, the DWSRF has provided \$9.8 billion in financial assistance to public water systems throughout the State, including \$404 million in DWSRF grants, to over 500 recipients.

As of March 31, 2023, the total net position of the DWSRF was \$1.4 billion.

### **SRF Finance Structures**

- Direct Financing is provided to qualified Recipients from SRF capitalization grant monies, repayments, and/or interest earnings. Direct Financing Recipients generally pay 0% interest.
- Leveraged Financing is provided to qualified Recipients at or below market rates. Leveraged Financing Recipients generally receive a subsidy of:
  - 50% of the market interest rate for Clean Water Infrastructure Projects
  - 33% of the market interest rate for Drinking Water Infrastructure Projects

### **SRF Financing and the Bond Markets**

EFC closed three series of bonds in SFY 2023-24. Series 2023 A was closed in May 2023. This transaction refunded EFC's Series 2012 B, 2012 E and 2013 B with a true interest cost (TIC) of 3.17% and provided a benefit of \$25 million to 93 recipients.

In addition, EFC closed on Series 2023 B in June 2023. This transaction on behalf of the New York City Municipal Water Finance Authority (NYCMWFA) refunded EFC's Series 2013 A, with a TIC of 3.53% and provided a savings of \$23.5 million to NYCMWFA.

In the last transaction of the SFY, Series 2023 C closed in December 2023. This transaction included financings for 21 recipients and had a TIC of 4.69%. This transaction will provide an estimated \$57 million in subsidy to the participating recipients.

During SFY 2023-24, EFC maintained AAA/Aaa credit ratings for the 2010 Master Financing Indenture and the senior and subordinate NYCMWFA Indentures.

## **State Grants**

The Clean Water Infrastructure Act of 2017 (CWIA) invests \$2.5 billion in clean water infrastructure projects and water quality protection across New York. An additional \$2.5 billion in subsequent appropriations is dedicated to clean water infrastructure as of March 2024.

On December 13, 2023, EFC awarded nearly \$450 million in Water Infrastructure Improvement (WIIA), WIIA Emerging Contaminant (WIIA-EC), and Intermunicipal Water Infrastructure Grants (IMG) to support 156 projects totaling over \$1.5 billion in project costs. This included the first funding awarded through the Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022 in the amount of \$200 million. In addition to the Bond Act funding, more than \$140 million of WIIA, WIIA-EC, and IMG funds were awarded to projects to improve drinking water systems and an additional \$3.5 million in WIIA-EC to projects that included enhanced treatment systems for addressing emerging contaminants. More than \$105 million was awarded for wastewater projects to improve water quality and reduce potential risks to public health and the environment.

Since the inception of a state water grant program in 2015, EFC has awarded 1,049 grants to 560 communities for drinking or clean water infrastructure projects. These grants have saved recipients over \$5.9 billion dollars in potential financing costs associated with water and wastewater projects.

## **Infrastructure Investment and Jobs Act – also known as the Bipartisan Infrastructure Law (BIL)**

The BIL is a federal infrastructure funding package that was signed into law on November 15, 2021. In part, the law provides the US Environmental Protection Agency (EPA) with funds to be awarded through states' SRFs to strengthen the nation's wastewater and drinking water systems. The BIL provides additional funding to the State SRFs annually for five years, starting in Federal Fiscal Year (FFY) 2022. The State received approximately \$501 million for these purposes under BIL for FFY 2023. This funding will allow the SRFs to support a greater number of water quality and infrastructure improvement projects throughout the State.

In SFY 2023-24, EFC closed eight financial assistance agreements that included BIL funding. The financial assistance agreements totaled approximately \$115 million, including approximately \$96 million in BIL funds.

## **Septic System Replacement Program**

Established as part of the CWIA, the Septic System Replacement Program (Program) provides a source of funding for the replacement of cesspools and septic systems in New York State. The Program's goal is 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 Department of Environmental Conservation (DEC) and the Department of Health (DOH) determine the geographic areas where the Program will provide grants for eligible septic system projects. Participating counties in these priority geographic areas can access monies from the Program to provide grants to reimburse property owners for up to 50% of the eligible costs (up to a maximum of \$10,000) of their eligible septic system projects. EFC administers the funds provided to the counties for the Program.

Through March 31, 2024, EFC has disbursed \$25.5 million in grants for 2,797 projects in participating counties for the replacement of cesspools and the replacement or upgrade of septic systems to reduce the negative environmental and public health impacts on threatened or impaired waterbodies.

## **Water Infrastructure Emergency Financial Assistance Program**

The Clean Water Infrastructure Act of 2017 authorizes the provision of expedited financial assistance to municipalities for wastewater and drinking water infrastructure emergencies. The amount of financial assistance provided to any municipality is based on the reasonable costs immediately necessary to address the emergency. The financial assistance is a loan, which must be repaid within one year.

Emergency financial assistance may be available to a municipality if the condition of its wastewater or drinking water infrastructure is causing or could reasonably be expected to cause an imminent hazard to public health or welfare, or the environment. To access emergency assistance, a municipality must formally declare an emergency, and submit an application for emergency financial assistance to DEC (for wastewater infrastructure) or DOH (for drinking water infrastructure). Upon a determination by DEC or DOH that the current state of the infrastructure is or may result in a hazard, and of the reasonable costs of eliminating or substantially reducing the hazard, EFC enters into a financial assistance agreement with the municipality and provides the emergency funding within two days.

Since program inception in 2017, EFC has provided emergency loans totaling approximately \$10.2 million to nine communities for emergency clean and drinking water projects, with \$8.3 million having been repaid by the communities, mostly with SRF funds. As of March 31, 2024, two emergency loans remained outstanding, totaling \$1.9 million leaving \$8.1 million available for emergency funding.

Funds repaid to EFC will be used to fund future emergency financial assistance.

## **Green Innovation Grant Program (GIGP)**

GIGP encourages communities to undertake green infrastructure, energy efficiency, water efficiency, and environmentally innovative projects. The installation of water meters has been shown to reduce water use by residents. This reduction in water use results in lower operation and maintenance costs for drinking water systems. The same is true for wastewater systems, as the reduction in flow to a wastewater treatment plant reduces the cost of operating the facility.

In May 2023, up to \$15 million was made available for another round of the GIGP Program. EFC received 61 eligible GIGP applications for over \$82 million in total project costs. On February 15, 2024, EFC awarded \$15 million to 10 projects.

Since the inception of the GIGP in 2009, EFC has disbursed over \$158.8 million to fund 220 green infrastructure projects. Eight projects were closed out during this reporting period.

## **Wastewater Infrastructure Engineering Planning Grant (EPG)**

EPG funds are used to pay for engineering and/or consultant fees for engineering and planning services to produce an engineering report. In 2023, \$3 million was made available for another round of the EPG Program. Seventy-eight applications were received through August 11, 2023, the application deadline. On February 15, 2024, EFC awarded \$3,004,900 to support all 62 projects that submitted complete applications.

Since the inception of the EPG Program in 2012, EFC has disbursed \$21.2 million to fund 623 EPG Program projects, which has led to over \$920 million in Clean Water State Revolving Fund financings for clean water infrastructure projects.

## **Clean Vessel Assistance Program (CVAP)**

CVAP provides grants to marinas for the installation, renovation, and replacement of pumpout stations for the removal and disposal of recreational boater septic waste. Grant recipients can receive up to 75% of eligible project costs up to \$60,000 for installing pumpout boats and up to \$35,000 for installing or upgrading stationary pumpout units or upgrading pumpout boats. Since the program's inception in 1992, participants have received over \$13 million in grant funds.

## **Industrial Finance Program (IFP)**

IFP low-cost loans are financed from the proceeds of special obligation revenue bonds issued by EFC that are backed by the credit of the borrower. Through IFP, EFC has facilitated loans of more than \$919 million to New York businesses for projects that manage waste, control pollution, and build drinking water and wastewater treatment facilities to comply with environmental regulations.

## Description of the Authority and its Board Structure

As noted in the Operations and Accomplishments section of this report, EFC is a public benefit corporation that manages successful Clean Water and Drinking Water SRFs and administers a number of other programs, including the Water Infrastructure Improvement Act grants and Intermunicipal Water Infrastructure grants, among others. EFC has no subsidiaries and as of March 31, 2024, EFC had 108 employees.

During this reporting period, there were five Divisions within EFC:

1. Executive – Led by the President and CEO and Executive Vice President and includes oversight of the Executive Staff and their respective Divisions, as well as program and policy development, SRF program management, and Community Assistance Teams.
2. Engineering – Provides assistance to communities and manages the technical and programmatic aspects of EFC's financing programs. The Division also works with each client and its consulting engineer to properly guide the client's water quality infrastructure project. The Division also includes the Green Infrastructure and Resiliency Program, and the Clean Vessel Assistance Program.
3. Finance and Accounting – Assists communities in obtaining low-cost capital and grants. The Division works in conjunction with the client and its financial advisor to develop a financial assistance package that meets the client's project related expenses, and is also responsible for loan development and structuring. The Division also includes the Accounting and Budget Unit, whose responsibilities include all corporate accounting functions, debt service billing, and disbursements.
4. Administration and Corporate Operations – Provides administrative support to EFC and includes functions such as procurement, human resources, support services, information technology, communications, program compliance, and Freedom of Information Law (FOIL).
5. Legal – Works closely with a client's local counsel and bond counsel and provides legal services and advice to EFC on corporate matters including SRF, policies, procurement, litigation, contracts, ethics, human resources, FOIL appeals, disclosure, and other compliance matters. The Legal Division also includes the Secretary to the Corporation.

# Legislation That Forms the Statutory Basis of the Authority

## Title 12 of Article 5 of the NYS Public Authorities Law

§ 1282. New York state environmental facilities corporation.

1. The "New York state pure waters authority" is hereby reconstituted and continued as the "New York state environmental facilities corporation". Reference in any provision of law, general, special or local, or in any rule, regulation or public document to the New York state pure waters authority shall be deemed to be and construed as a reference to the corporation continued by this section. The corporation shall be a body corporate and politic constituting a public benefit corporation. Its membership shall consist of seven directors: the commissioner of environmental conservation who shall be chair, the commissioner of health, the secretary of state, and four directors appointed by the governor by and with the advice and consent of the senate. The directors appointed by the governor who are not state officers, shall serve for terms of six years each, provided, however, that of the directors first appointed, two shall serve for terms of two years, the remaining two for terms of four and six years, respectively, from January first next succeeding their appointment. The appointed members of the New York state pure waters authority in office on the effective date of this title shall be deemed to be directors first appointed in accordance with the foregoing and shall hold office for the balance of the terms for which they were severally appointed. Any vacancy occurring otherwise than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term. The board of directors of the corporation shall appoint, by resolution, the president of the corporation. The president shall be the chief executive officer of the corporation and shall serve at the pleasure of the board of directors of the corporation.

2. Each director shall not receive a salary or other compensation but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of his or her official duties.

3. Such directors other than the commissioner of environmental conservation, the commissioner of health and the secretary of state may engage in private employment, or in a profession or business, subject to the limitation contained in sections seventy-three and seventy-four of the public officers law. The corporation shall, for the purposes of sections seventy-three and seventy-four of the public officers law, be a "state agency," and such directors shall be "officers" of the corporation for the purposes of said sections.

4. Four directors of the corporation shall constitute a quorum for the transaction of any business or the exercise of any power of the corporation. For the transaction of any business or the exercise of any power of the corporation, the corporation shall have power to act by a majority of the directors present at any meeting at which a quorum is in attendance. Videoconferencing may be used for attendance and participation by the directors. Any director attending and participating by the use of videoconferencing in compliance with article seven of the public officers law shall be considered to be present at the meeting. The corporation may delegate to one or more of its directors, or its officers, agents and employees, such powers and duties as it may deem proper. The commissioner of environmental conservation, the commissioner of health and the secretary of state may, by official proxy, filed with and approved by the corporation, designate an officer in their respective department, to perform, in their absence, their respective duties under this article. The term "director" as used in this subdivision shall include such persons so designated as provided herein.



The designation of such persons shall be deemed temporary only and shall not affect the civil service or retirement rights of any persons so designated.

5. Notwithstanding any inconsistent provisions of this or any other law, general, special or local, no officer or employee of the state, or of any civil division thereof, shall be deemed to have forfeited or shall forfeit his office or employment or any benefits provided under the retirement and social security law by reason of his acceptance of membership on the corporation, provided, however, a director who holds such other public office or employment shall receive no additional compensation for services rendered pursuant to this title, but shall be entitled to reimbursement for his actual and necessary expenses incurred in the performance of such services.

6. The governor may remove any director for inefficiency, neglect of duty or misconduct in office after giving him a copy of the charges against him and an opportunity to be heard, in person or by counsel in his defense, upon not less than ten days' notice. If any director shall be so removed, the governor shall file in the office of the department of state a complete statement of charges made against such director, and his findings thereon, together with a complete record of the proceedings.

7. The corporation shall continue so long as it shall have bonds or other obligations outstanding and until its existence shall be terminated by law. Upon the termination of the existence of the corporation, all its rights and properties shall pass to and be vested in the state.

## **Board of Directors**

The Corporation is governed by a Board of Directors (the "Corporation Board"), which consists of seven directors. Three of the directors are designated in the Act as ex-officio members: the Commissioner of Environmental Conservation, whom the Act also designates as the Chair of the Corporation, the Commissioner of Health, and the Secretary of State.

The four remaining directors are appointed by the Governor, by and with the advice and consent of the State Senate. The appointed directors serve staggered six-year terms. Pursuant to State law, after the expiration of a director's term, the director shall hold over and continue to discharge the duties of a director of the Corporation Board until a successor has been chosen and qualified.

As of March 31, 2024, the Corporation Board was comprised of the following members:

### **Ex-Officio Members:**

**Basil Seggos**, Commissioner of Environmental Conservation. Mr. Seggos serves as Chair of the Board.

Previously, Mr. Seggos served as both Deputy Secretary for the Environment and Assistant Secretary for the Environment to Governor Cuomo, advising the Governor on environmental policy and overseeing the operations of the state's environmental agencies, including the DEC, the Office of Parks and Recreation & Historic Preservation, EFC, and the Adirondack Park Agency. Prior to working in the Governor's office, Basil served as Vice President of Business Development at the clean-tech private equity company Hugo Neu Corporation, Chief

Investigator and Attorney at Riverkeeper, Associate at the Natural Resources Defense Council, and as a legal clerk at the White House.

Mr. Seggos graduated from Pace Law School in 2001, where he received the environmental law award and alumni achievement award, and from Trinity College in 1996 with a Bachelor of Arts. Basil is a Captain in the U.S. Army Reserve, Judge Advocate General Corps.

**James V. McDonald, M.D., M.P.H.**, Commissioner of Health. Dr. McDonald was appointed Acting Commissioner of Health on January 1, 2023, and confirmed by the New York State Senate on June 10, 2023. Prior to joining the New York State Department of Health in July of 2022, Dr. McDonald served at the Rhode Island Department of Health since 2012.

At the Rhode Island Department of Health, he served in multiple roles including, Interim Director of Health, Chief Administrative Officer of the Board of Medical Licensure and Discipline, Medical Director for the COVID unit, as well as the Medical Director for Center for Customer Services and the Drug Overdose prevention program. He was also a member of the Governor's task force on Preventing Overdose deaths. Dr. McDonald has faculty appointments at the Brown School of Public Health as well as the Warren Alpert Medical School of Brown University.

Dr. McDonald earned his M.D. from Loyola Stritch School of Medicine in Chicago, his pediatric residency in the US Navy, and his preventive medicine residency from the State University of New York. He earned his MPH from the University of North Carolina in Chapel Hill. He earned his B.S. in Biology from Siena College. Dr. McDonald is board certified in pediatrics as well as preventive medicine.

His diverse career includes officership in the U.S. Navy, as well as private practice in rural areas where health care shortages existed. Dr. McDonald also served in the Indian Health Service in the Navajo Nation, serving as Medical Director of Outpatient Medicine in Chinle, Arizona.

**Robert J. Rodriguez**, Secretary of State. Mr. Rodriguez was nominated by Governor Kathy Hochul to serve as New York's 68<sup>th</sup> Secretary of State. He was appointed Acting-Secretary of State on December 15, 2021, and confirmed as the Secretary of State by the New York State Senate on March 1, 2022.

Mr. Rodriguez is a uniquely accomplished leader and former legislator, with civic and legislative successes that have been focused strategically on investing in and developing public-good infrastructure projects, creating good-paying jobs and addressing financial disparities for historically underrepresented minorities and low-income communities. Mr. Rodriguez has specialized in providing advice to state and local governments, and transportation issues in the Northeast and Midwest focused on financial planning, credit rating strategy, managing and executing debt issuance transactions, asset-liability management and public-private partnerships.

As a legislator, Mr. Rodriguez served as a member of the New York State Assembly 11 years, representing Assembly District 68. During his time in the Assembly, he focused on protecting and creating affordable housing, bringing good jobs into the community and ensuring children received a quality education. He served as Co-Chair of the Legislative Task Force on Demographic Research and Reapportionment, founding Chair of the Assembly sub-committee on Infrastructure and Member of Committees on Ways and Means, Housing, Labor, Banking, Corporations and Authorities and Mental Health.

In the private sector, Mr. Rodriguez served as a Director at Public Financial Management, the leading municipal financial advisor in the nation. Prior to PFM, Mr. Rodriguez was a Vice President at A.C. Advisory, Inc. and held various management and operations roles at Bloomberg LP.

As a civic leader, Mr. Rodriguez served on a number of volunteer boards including as Chairman of Manhattan Community Board 11 and as a member of the Board of Directors of the Upper Manhattan Empowerment Zone.

Mr. Rodriguez is a graduate of Yale University, where he received a B.A. in History and Political Science and New York University Stern Business School where he received an MBA in Finance. He is also an emerging leader of the New America Alliance, and the Council for Urban Professionals (CUP) Fellow.

Mr. Rodriguez resides in East Harlem.

### **Other Board Members:**

**Francis T. Corcoran** was the President and Chief Administrative Officer at the National Stock Exchange, Inc. (NSX) until its sale in February 2015. Mr. Corcoran has been working in the financial/capital markets arena for 30 years. He has been active on the forefront of businesses that have significantly impacted the capital markets.

Mr. Corcoran was an Owner, Officer and Board Director of Institutional Shareholders Services – the largest Corporate Governance Advisory firm in the world; Managing Director of Sales, Marketing and Strategy at NYSE Member Firm Reynders, Gray & Co.; Vice President and Head of Sales and Business Development at Instinet Corporation; Senior Vice President at the American Stock Exchange for Equity Order Flow & Business Development. He is a former member of the Board of Directors for the Securities Industry Association (SIA) New York Chapter and was a Member of the Congressional Financial Services Advisory for the Chairman of the Financial Services Oversight Committee. Mr. Corcoran is a Member of the Securities Trader Association and The National Corporate Directors Association.

Mr. Corcoran is an active participant in both state and local government. He is one of the four outside Directors on the Board for EFC. He has served five Governors in this role. As a member of the Management Advisory Board to the Inspector General of the Metropolitan Transportation Authority, he has served as the Acting Board Chairman since 2003 and has also served four Governors in this role. The Office of the Inspector General is an independent oversight agency, which reviews the operations of the MTA, and its constituent agencies, comprising of 650,000 employees and operating in three states. He is a Board Member of the Metro-North Railroad Commuter Council and the Permanent Citizens Advisory Committee to the MTA. He has proudly served the Town of Bedford for twelve years as Councilman.

Mr. Corcoran was elected to the Westchester County Board of Legislators in 2015 and represents the 2<sup>nd</sup> District (Bedford, Lewisboro, Mount Kisco, North Salem, Pound Ridge and Somers). He also serves as Chair of the Environment and Health Standing Committee.

Mr. Corcoran is a graduate of Iona College, B.S. Cum Laude, Humanities.

**Charles Kruzansky** is the Director of Government Relations and Special Assistant to the Vice Provost for Research at Cornell University in Ithaca. Responsible for Cornell's dealings with New York State, he manages the University's legislative and budget agendas before the

Legislative and Executive branches of state government. As the state's largest research university and New York's Land Grant Institution, Cornell is involved in a range of issues and programs with New York State, in addition to those that affect higher education and research. Prior to becoming director of the Albany Office of Government Relations for Cornell University in 1991, Mr. Kruzansky served as a legislative and fiscal analyst for the NYS Assembly Ways and Means Committee staff from 1985 to 1990. He was the State Assembly's primary negotiator on energy and other regulatory agency budgets and legislation. He was also on the board of Environmental Advocates of New York from 1993-2007 and was New York's affiliate representative or alternate to the National Wildlife Federation for several years between 1998 and 2004. He has a B.A. from Johns Hopkins University in Baltimore, Maryland and an MBA from Columbia University in New York City. Charlie grew up in the Hudson Valley and resides in Voorheesville with his wife and two kids.

**Vita DeMarchi** is Managing Partner and Co-Founder of Synapse Partners, LLC, the globally recognized excess/surplus line wholesale insurance brokerage and risk management firm specializing in the environmental market. Synapse connects clients, partners and investors through strategic alliances that create innovative and distinctive business advantages. Synapse is headquartered in Syracuse in a formerly decaying, mid-20<sup>th</sup> century boxing gym that was re-imagined into what became in 2012 the seventh highest ranking LEED EBOM Platinum building in the world.

Ms. DeMarchi is a strategic advisor to Fortune 500 businesses, developing businesses, real estate developers, and municipalities. She helps clients and partners manage business and environmental risk, implement sustainable business practices, analyze financial data for informed business decisions, and secure project funding and capital formation.

Ms. DeMarchi was the co-founder and a Director of Synapse Sustainability Trust, a 501c-3 Not for Profit Corporation which led important New York environmental, energy and economic development initiatives over the past decade. EVPass initiated the groundbreaking 2012 deployment of the CNY Destination Location Network for electric vehicle charging stations and infrastructure which was subsequently sold to a public company in 2013, becoming part of a larger USA network. Restoration Tree Trust, an urban and rural reforestation and habitat restoration catalyst, collaborates with municipalities, government agencies, not-for-profit organizations, educational institutions, and private sector businesses to address greenhouse gas emissions, water pollution, energy management and climate resiliency.

Vita DeMarchi is currently Chair of the Board of Trustees of the State University of New York's College of Environmental Science and Forestry. She was appointed by Governor Cuomo in 2012 as a Board of Director to the Great Lakes Protection Fund. In the past, Ms. DeMarchi served as the President of the CNY Association of Professional Geologists, and was on the Board of Directors of the NYS Council of Professional Geologists. A graduate of Syracuse University, Ms. DeMarchi was a licensed professional geologist, with Masters Studies in environmental engineering and hydrogeology.

**Adam Zurofsky** is a Senior Advisor of Rewiring America, a non-profit organization dedicated to promoting economically beneficial solutions to energy and climate challenges. Mr. Zurofsky was the Director of State Policy and Agency Management for the State of New York until 2019. In that capacity, he led the development and implementation of major policy initiatives and was responsible for strategic management of the State's executive agencies and authorities. Mr. Zurofsky previously served as Deputy Secretary for Energy and Finance, where he oversaw all policy and regulatory aspects of New York State's energy, climate and finance portfolios. Mr.

Zurofsky helped to lead implementation of the State's climate agenda, including establishing the U.S. Climate Alliance of 25 states and territories committed to upholding the Paris Climate Accords and the decarbonization of the over \$200 billion New York Common Retirement Fund.

Prior to his time in government, Mr. Zurofsky was a partner in the law firm of Cahill Gordon & Reindel, LLP, where he represented companies and boards of directors in a variety of litigation, regulatory and governance matters. He currently teaches climate policy at Columbia University's School of International and Public Affairs and has taught, published and lectured on topics ranging from corporate purpose to the clean energy transition in various capacities over the course of his career. Mr. Zurofsky holds an A.B. with honors in political science from Stanford University and a J.D. cum laude from Harvard Law School. He lives in New York City with his wife, three children and their dog.

## **Committees**

- Audit Committee – Charles Kruzansky (Chair), Francis T. Corcoran, Vita DeMarchi, Adam Zurofsky;
- Governance Committee – Vita DeMarchi (Chair), Charles Kruzansky, Francis T. Corcoran, Adam Zurofsky;
- Finance Committee – Francis T. Corcoran (Chair), Charles Kruzansky, Vita DeMarchi, Adam Zurofsky;
- Policy Committee – All directors are members of the Policy Committee and the Committee is chaired by the Chair of the Corporation's Board of Directors.

**NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION**  
**Meetings of the Board of Directors**  
**Board Member Attendance Record | April 1, 2023 - March 31, 2024**

P = Present

A= Absent

Board Members	Meeting Dates									
	APRIL 5	MAY 11	JUNE 2 Annual Meeting	AUGUST 24	OCTOBER 5	NOVEMBER 2	DECEMBER 7	JANUARY 18	FEBRUARY 15	MARCH 13
<b><u>Ex Officio Members</u></b>										
<b>DEC Commissioner - Basil Seggos</b>	A	A	A	A	A	A	A	A	A	A
DEC Designee – Jeffrey Stefanko	P	P	P	P	P	P	P	P	P	P
<b>DOH Commissioner - James V. McDonald</b>	A	A	A	A	A	A	A	A	A	A
DOH Designee – Christine Westerman	A	P	P	P	P via video	P	P	P	P	A
<b>Secretary of State - Robert J. Rodriguez</b>	A	A	A	A	A	A	A	A	A	A
SOS Designee - James Leary	P via video	P via video	P	P via video	P via video	P via video	P via video	P via video	P via video	P via video
<b><u>Independent Board Members</u></b>										
Francis T. Corcoran	P via video	P via video	P via video	P via video	P via video	P via video	P via video	P via video	P via video	P via video
Charles Kruzansky	P via video	P	P	P via video	P	P	P	P	A	P
Vita DeMarchi	P via video	P	P	P via video	P	P via video	P via video	P via video	P via video	P via video
Adam Zurofsky	A	P via video	P via video	P via video	P via video	P via video	P via video	P via video	A	P via video

**Public Officers Law - Article 3 §30 (3)**

When any member of a board, commission, committee or authority, holding office by appointment of the governor, fails to attend three consecutive regular meetings of such board, commission, committee or authority, unless such absence is for good cause and is excused by the chairman or other presiding officer thereof, or, in the case of such chairman or other presiding officer, by governor, the office may be deemed vacant for purposes of the nomination and appointment of a successor.

**Attendance via video**

Any attendance identified as "via video" was via videoconference in compliance with the Open Meetings Law, the Corporation's By-Laws, and any other applicable legal requirements.

**BY-LAWS OF THE  
NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION**

**ARTICLE I**

**THE CORPORATION**

Section 1. The Corporation. The New York State Environmental Facilities Corporation (the "Corporation") is a body corporate and politic constituting a public benefit corporation, formerly known as the "New York State Pure Waters Authority", reconstituted and continued and having the powers, purposes and functions set forth in the New York State Environmental Facilities Corporation Act, as amended (the "Act"), constituting Title 12 of Article 5 of the Public Authorities Law of the State of New York.

Section 2. Seal of the Corporation. The Seal of the Corporation shall be circular in form and about the periphery thereof shall appear the words "NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION". Such Seal of the Corporation may include such other insignia as may be approved by resolution of the Board of Directors of the Corporation (the "Board").

Section 3. Offices of the Corporation. The principal office and place of business of the Corporation shall be located in the County of Albany, State of New York. The Corporation may maintain such other offices at such other place or places within the State of New York as may be deemed necessary by the Board.

Section 4. Fiscal Year. The Fiscal Year of the Corporation shall begin on the first day of April in each year and end on the last day of March the following year.

**ARTICLE II**

**BOARD OF DIRECTORS**

Section 1. Board of Directors. The business and affairs of the Corporation shall be managed by the Board consisting of the Commissioner of Environmental Conservation, who shall be the Chair of the Board, the Commissioner of Health, the Secretary of State and four members appointed by the Governor as prescribed by applicable law. In the absence of the Chair from any meeting, the Directors of the Corporation (the "Directors") may elect a chair pro tem.

The Board shall execute direct oversight of the President of the Corporation and other officers and senior management of the Corporation in the effective and ethical management of the Corporation. Each Director shall understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Corporation. No Director, including the Chair, shall serve as the President, Executive Vice

President or Chief Financial Officer while also serving as a Director.

Section 2. Chair. The Commissioner of Environmental Conservation is Chair of the Board. The Chair shall preside at all meetings of the Board. The Chair shall exercise powers and duties as prescribed by applicable law and as delegated to him or her by the Board.

Section 3. Compensation of Directors. Each Director is entitled to reimbursement for actual and necessary expenses incurred in the performance of his or her official duties and may receive such other compensation as prescribed by applicable law.

Section 4. Designees. The Commissioner of Environmental Conservation, the Secretary of State and the Commissioner of Health may, by official proxy filed with and approved by the Board, designate an officer in their respective Department to perform, in their absence, their respective duties to the Corporation.

### ARTICLE III

#### OFFICERS - EMPLOYEES - CONSULTANTS - INDEMNIFICATION

Section 1. Officers. The President is the chief executive officer of the Corporation, which office shall not be held by any other officer of the Corporation. The Board shall appoint, by resolution, the President, as prescribed by applicable law. In addition to the President, the officers of the Corporation shall be the Executive Vice President, Senior Vice President, Chief Financial Officer, Secretary and such other officers as may be deemed necessary by the President to transact the business and exercise the general and special powers and duties of the Corporation. With the exception of the President, all officers of the Corporation shall be appointed by the President subject to approval by resolution of the Board of Directors. All officers of the Corporation shall report to the President. Any two or more offices may be held by the same person, except the President, as chief executive officer, shall hold no other office.

Section 2. President. The President is to have executive supervision over, and be in administrative charge of the Corporation. The President shall perform all such duties subject to the direction of the Board. The President shall also be responsible for the execution of the policies and programs of the Corporation as established by the Board. The President may delegate any of his or her executive and administrative duties to any officer or employee of the Corporation, except where the Act or a resolution of the Board provides otherwise. Any such delegation shall be revocable at will by the President. The President shall be paid the salary prescribed by resolution of the Board for such position.

Section 3. Executive Vice President. The Executive Vice President shall perform such duties as are delegated to him or her by the President.



Section 4. Senior Vice President. The Senior Vice President shall perform such duties as are delegated to him or her by the President.

Section 5. Chief Financial Officer. The Chief Financial Officer, at the direction of the President, shall supervise and direct the activities of the Finance Division, give advice to the President regarding the financial and investment policies of the Corporation, supervise the Corporation's investment program, recommend and implement financial policies of the Corporation, participate in the preparation of the financial reports of the Corporation required by applicable law, and exercise such other powers and perform such other duties as the President may determine.

Section 6. Secretary. The Secretary shall prepare and certify the minutes of the meetings of the Board and shall cause them to be kept in one or more books provided for that purpose. The Secretary shall ensure that all notices are duly given in accordance with the provisions of these By-laws or as required by statute, be custodian and shall certify, when required, records, proceedings, documents or resolutions of the Board, attest and affix the seal of the Corporation to all contracts and instruments executed on behalf of the Corporation, keep a register of the contact information for each Director, which information shall be furnished to the Secretary by such Director, and in general perform all duties incident to the office of Secretary, and such other duties as from time to time may be assigned by the Chair, the Board or the President.

Section 7. Personnel. Subject to budgetary restriction, the President may from time to time appoint employees as he or she may deem necessary to exercise the powers, duties and functions of the Corporation as prescribed by applicable law. The selection, qualification, and compensation of such employees shall be determined by the President subject to applicable law. The President shall report in writing to the Board on the employment, qualification and compensation of all officers and employees of the Corporation.

Section 8. Controller. The Corporation shall have a Controller. The Controller, under the direction of the President and other designated senior management, shall be responsible for the care and custody of all funds of the Corporation, including, in consultation with the Chief Financial Officer, the placement of investments, and deposit all such funds in the name of the Corporation in such banks, trust companies or other depositories as shall be designated by the Board, receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and shall perform such other duties as from time to time may be assigned by the President. The Controller shall also supervise the preparation of the financial reports of the Corporation required by applicable law, and prepare and deliver quarterly reports to the Board concerning the financial status of the Corporation.

Section 9. Consultants. Except for those persons or firms employed in furtherance of a project authorized by resolution of the Board as prescribed

by applicable law, or whose employment was delegated by the Board to a committee of the Board, counsel, auditors, engineers and other consultants may be retained on a contract basis or otherwise for rendering professional or technical services or advice by appointment of the President subject to specific or categorical approval by resolution of the Board.

Section 10. Removal of Officers of the Corporation. Officers of the Corporation shall be removed from office with or without cause by resolution of the Board. The action to remove an officer from office shall be taken by vote at a meeting, provided that fourteen (14) days' actual written notice of such proposed action is given to all Directors.

Section 11. Removal of Employees by the President. All employees shall hold employment at the pleasure of the President and may be removed either with or without cause, at any time, by the President.

Section 12. Indemnification of Directors, Officers and Employees. The Corporation shall indemnify and hold harmless all Directors, officers and employees of the Corporation to the full extent permitted by, and in the manner as State employees are indemnified in their official actions by, applicable law, as the same may exist at the time such person may become entitled to indemnification by the Corporation.

## **ARTICLE IV**

### **MEETINGS**

Section 1. Annual Meeting. The annual meeting of the Board shall be held in June of each year on a date and at a place and time designated by the Chair. The agenda for the annual meeting shall be transmitted to each Director at least seven (7) days prior to the scheduled annual meeting.

Section 2. Regular Meetings. Regular meetings of the Board may be held upon the request of the Chair or the President, but shall be held at least every other month at locations within New York State, in accordance with a schedule reviewed and established annually by the Board.

Section 3. Special Meetings. The Chair may, when he or she deems it expedient, call a special meeting of the Board. A majority of the Directors, when they deem it expedient, may request the Chair to call a special meeting of the Board and the Chair or, in his or her absence, the Secretary, thereupon, shall call for such a special meeting. The call for a special meeting, specifying the time and place of such meeting, shall be by telephone or delivered in person or mail to the business or home address of each Director, or otherwise by a means most likely to confer actual notice, at least two (2) days prior to the date of such special meeting. The agenda for the meeting and all proposals and resolutions must be delivered in writing. Special meetings must be limited to the purpose explicitly indicated in the notice; no other subject matter shall be covered.

Section 4. Adjournment of Meetings. A majority of Directors whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of such adjourned time and place shall be given to each Director not present at such meeting or, if no announcement of such adjourned time and place was made at such meeting at least seven (7) days' notice of the newly scheduled meeting must be given to all Directors. No such adjournment shall be used to defeat a notice provision.

Section 5. Quorum. Four (4) or more Directors shall constitute a quorum for the transaction of any business or the exercise of any power of the Corporation. For the transaction of any business or the exercise of any power, the Corporation shall have power to act by a majority of the Directors present at any meeting at which a quorum is in attendance. Videoconferencing may be used for attendance and participation by the Directors, as prescribed by applicable law.

Section 6. Order of Business. At a regular meeting of the Board, the following agenda shall be the order of business.

1. Roll Call and Declaration of Quorum
2. Approval of the Minutes of the Previous Meeting
3. Report of the Chair
4. Report of the President
5. Committee Reports
6. Unfinished Business
7. Resolutions
8. New Business
9. Adjournment

Section 7. Agenda. The proposed agenda for a regular meeting shall be transmitted to each Director at least seven (7) days prior to the date of such meeting.

Section 8. Approval of the Minutes of the Previous Meeting. A draft copy of the minutes of the previous meeting shall be sent to each Director expeditiously after the meeting at which same were recorded but not later than seven (7) days prior to the next meeting.

Section 9. Resolutions to be Written in Plain Language. All resolutions presented for consideration by the Board shall be written in plain language and, upon a vote having been taken, shall be attached to a certified copy of the minutes of the meeting at which action on the resolution was taken. Proposed resolutions to be considered at a regular meeting shall be transmitted to each Director at least seven (7) days in advance of the meeting. Notwithstanding the foregoing, with the consent of a majority of the quorum, resolutions may be presented at any meeting of the Board but such resolutions must be reduced to writing and a summary thereof read aloud prior to a vote.

Section 10. Manner of Voting. The voting on all questions at meetings of the Board and the votes of each Director expressed as a yea, nay or abstention shall be recorded by the Secretary and entered upon the minutes of each meeting.

Section 11. Attendance and Failure to Object. Attendance of a Director at a meeting shall constitute waiver of notice of the meeting except where such attendance is for a special purpose.

## **ARTICLE V**

### **COMMITTEES**

Section 1. Committees. The Board or the Chair, subject to prior approval by the Board, may appoint committees from among its membership and a chairperson thereof to conduct studies or investigations as shall be determined to be in the interests of the Corporation and make recommendations to the Board. Each member of a committee shall serve until the next annual meeting of the Board and thereafter until his or her successor is appointed. One member of each committee shall be appointed chairperson. The committee chairperson shall be responsible for convening the committee, keeping records of transactions and reporting to the Board at each regular meeting of the Board. A majority of the members of a committee shall constitute a quorum, and the recommendation of a majority of the members present at a meeting at which a quorum is present shall be the recommendation of the committee and not that of the Board. Each committee may adopt rules for its own management. To the extent prescribed by applicable law, each committee shall be constituted and undertake the activities in the manner so prescribed.

Section 2. Audit Committee. The Board shall establish an Audit Committee. The Board or the Chair, subject to prior approval by the Board, shall designate the members and chairperson of the Audit Committee in the same manner as provided in Section 1 hereof. This Committee shall make recommendations concerning the management of all funds of the Corporation, its general accounting system, and shall render advice with regard to financial policies. The Audit Committee shall also recommend to the Board the hiring of certified independent accounting firm(s) for the Corporation, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes. The Board shall retain an independent auditor in accordance with Article III, Section 8 of these By-laws and any other applicable law. Any report resulting from an audit of the Corporation shall be filed with this Committee and reported on by the Committee to the Board.

Section 3. Governance Committee. The Board shall establish a Governance Committee. The Board or the Chair, subject to prior approval by the Board, shall designate the members and chairperson of the Governance Committee in the same manner as provided in Section 1 hereof. This Committee shall keep

the Board informed of current best governance practices; review corporate governance trends; update the Corporation's corporate governance principles; and render advice on the skills and experiences required of potential board members. The Governance Committee shall also establish policies, including but not limited to the following: (a) policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the President and other officers and senior management of the Corporation; (b) a code of ethics; (c) a defense and indemnification policy; (d) written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other improper behavior by a Director, Officer or employee of the Corporation; and (e) written policies concerning investments, travel, the acquisition of real property, the disposition of real and personal property, and the procurement of goods and services. These policies shall be presented to and voted on by the Board.

Section 4. Finance Committee. The Board shall establish a Finance Committee. The Board or the Chair, subject to prior approval by the Board, shall designate the members and chairperson of the Finance Committee in the same manner as provided in Section 1 hereof. This Committee shall receive and consider staff recommendations and assist the Board in reviewing, approving or recommending to the full Board of Directors, as required, the issuance of bonds or notes by the Corporation, developing and regularly reviewing and updating as necessary, policies relating to the issuance of bonds or notes by the Corporation and form and delegate authority to any subcommittee(s) consisting of one or more members when appropriate. The Finance Committee shall also have the authority to the extent it deems necessary or appropriate to: (a) retain independent professional advisors with notice to the Board; and (b) consult with any appropriate commission or office relating to public authority finance or the Corporation's Directors, senior management or employees on issues related to its duties. The Finance Committee shall also develop for approval by the Board all reports as may be required to be submitted from time to time to any appropriate commission or office relating to debt issuance by public authorities.

Section 5. Compliance with Open Meetings Law. Any committee or subcommittee established by the Board shall be noticed and open to the general public in the same manner as provided for a regular meeting of the Board.

## **ARTICLE VI**

### **CORPORATE FINANCES**

Section 1. Corporation Finances. The funds of the Corporation will be deposited in such financial institutions as may be designated by the Board. All Corporation officers or employees involved in handling or disbursing such funds shall be required to furnish a bond guaranteeing the faithful performance of their duties. Such bonds shall be paid for by the Corporation and in an amount set by the Board.

**ARTICLE VII**

**AMENDMENTS**

Section 1. Amendments. The By-laws may be amended by resolution duly adopted at any meeting, provided that written notice of intention to present such resolution shall be given at least fourteen (14) days in advance of the meeting at which the motion to adopt such resolution is made. Such notice shall have appended thereto the complete, written text of the By-laws being proposed. Approval of amended By-laws requires affirmative vote of a majority of the Directors present at a meeting at which a quorum is in attendance.

**ARTICLE VIII**

**SUSPENSION OF BY-LAWS**

Section 1. Suspension of By-laws. By affirmative vote of a majority of Directors present at a meeting at which a quorum is in attendance, the provisions of any or all of these By-laws, except as may be otherwise prescribed by applicable law, may be temporarily suspended.

Readopted this twenty-third day of May  
2024, in Albany County, State of New York  
with the official seal of the Corporation  
affixed hereto.

BY: \_\_\_\_\_/s/\_\_\_\_\_  
Kate Siobhan Howard  
Secretary to the Corporation

## Summary Results of Confidential Evaluation of Board Performance

(The below summary shows the number of votes per category)

Criteria		Agree	Somewhat Agree	Somewhat Disagree	Disagree	Comments
1	Board members have a shared understanding of the mission and purpose of the Corporation.	1	1			<b>Evaluation X</b> "Board members are well-informed and attentive to the mission, purpose, and scope of EFC."
2	The policies, practices and decisions of the Board are consistent with this mission.	1		1		
3	Board members comprehend their role and fiduciary responsibilities to the Corporation and hold themselves and each other to these principles.	1				<b>Evaluation X</b> "Board members often ask pertinent questions of EFC leadership and counsel, as well as reviewing information provided by EFC staff and consultants. Board members are engaged."
4	The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Corporation and conducts a review of these annually.	1				
5	The Performance Goals and Measurements Report for the Corporation contribute to accomplishing its mission and are shared annually with the Board for their review.	1	2			
6	The decisions made by Board members are arrived at through independent judgment and deliberation, free of influence, pressure, or self-interest.	1	1			<b>Evaluation X</b> "Discussions are free, open, and well-informed, and Directors bring various perspectives and areas of expertise."
7	Executive Staff is available to individual Board members to provide information and status on important issues affecting the Corporation.	1	1			<b>Evaluation X</b> "Executive staff are responsive, pro-active and timely in informing the Board."
8	Board members are knowledgeable about the Corporation's programs, financial statements, reporting requirements, and other transactions.	1	1			<b>Evaluation X</b> "Board members regularly discuss and review key documents related to these areas."

9	The Board reviews important documents and approves relevant documents and reports for public release and is confident that the information being presented is accurate and complete.	í Á	1		1	
10	The Board is informed of the statutory obligations of the Corporation and adopts any changes necessary to ensure maximum compliance with state law.	î Á	1			
11	Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	í Á	2			<b>Evaluation X</b> “Board meetings include extensive reporting by EFC staff, and Board members engage in discussion without reservation.”
12	Board members have sufficient opportunity to discuss, question and prepare before decisions are made and votes taken.	í Á	2			<b>Evaluation X</b> “Documents are provided with ample time for Board members to review and inquire prior to each meeting.”
13*	Individual Board members understand their authority to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	í Á	1			
14	The Board exercises appropriate oversight of the CEO and other executive staff in relation to the operation and administration of the programs of the Corporation.	í Á	2			
15	The Board is informed of the areas that are identified as potentially presenting the most risk to the Authority and the risk mitigation strategies that management recommends implementing before problems occur.	7Á				<b>Evaluation T</b> “Especially true with respect to financials, via Audit Committee and KPMG.” <b>Evaluation X</b> “The Board is promptly informed of such matters by EFC leadership and/or counsel and engages in a timely and responsive manner.”
16	Board members demonstrate leadership and vision and work respectfully with each other.	í Á	2			<b>Evaluation X</b> “Board members deliberate in a professional manner and disagreements are handled with thoughtful dialogue and civil debate/discourse.”



Date Completed: May 20, 2024

No general comments received.

Note: Seven evaluations were received.

Each individual evaluation was assigned a random letter. The comments section specifies the evaluation that contained the comment by letter.

\* **Evaluation M** contained no response to question 13.

## **Executive Staff**

**Maureen A. Coleman, Esq.** was appointed President and Chief Executive Officer on October 14, 2021. She was appointed General Counsel of EFC in May 2015, served as Acting President and Chief Executive Officer of EFC from September 10, 2019 to January 13, 2021, and was named Senior Vice President and General Counsel in February 2021. She was appointed as Executive Director of the New York State Bridge Authority on July 15, 2021. Prior to joining the Corporation, she served as Assistant Counsel to the Governor, where she advised the Governor and policy staff on legal matters related to the environment, energy, and agriculture. Prior to this role, she was employed for 13 years with the Department of Environmental Conservation, where she served as legislative counsel in the Department's Office of Legislative Affairs and then as Bureau Chief of Water and Natural Resources for the Department's Office of General Counsel.

Prior to joining state service, Ms. Coleman served as Vice President, Law & Regulation at J. & W. Seligman & Co. Incorporated, a privately owned investment manager in New York City. She has a B.A. from College of Saint Rose and a J.D. from Brooklyn Law School.

**Michael P. Hale, Esq.** was appointed Executive Vice President of EFC on November 8, 2021. Prior to this appointment he served in various roles as an attorney in EFC's Legal Division since 2002. In that capacity he worked on several programs for the Corporation including the New York City Watershed Upgrade Program, served as closing Counsel to the Catskill Watershed Corporation, and was lead EFC attorney for Corporate Governance initiatives. Since 2005, Michael has served as lead and staff counsel for EFC's Clean and Drinking Water State Revolving Funds financing programs. In that role, he has closed on financings for municipalities and public authorities throughout New York State totaling over \$10 billion. Michael has also led efforts to modernize EFC's financial delivery models. He holds a B.A. from Syracuse University and J.D. from Albany Law School.

**Emily A. Jamieson** was appointed Chief Financial Officer of EFC on June 22, 2023. Prior to joining EFC, she served as Assistant Chief Budget Examiner at the NYS Division of the Budget (DOB) in the Mental Hygiene Unit. In this role she oversaw the budgets for five agencies totaling \$5 billion. Previous positions at DOB focused on Capital and Debt, and Performance Management. In the Capital and Debt Unit, Emily was involved in all aspects of the State's capital budgeting process, including the issuance of Personal Income Tax (PIT) Bonds and Sales Tax Bonds which fund approximately half of the capital plan. She worked on spending models for the State's statutory debt limit, evaluated and executed improvements to the State capital planning process, and served as Secretary to the Local Government Assistance Corporation. Emily was also involved in ensuring State eligibility for Federal COVID funding, compliance with the continuing disclosure reporting requirements of the Municipalities Continuing Disclosure Cooperation Initiative, and adjusting the structure of the State's Personal Income Tax Revenue Bonds in response to Federal tax law changes. Emily was the Lean Deployment Manager where she optimized the State's Annual Information Statement (AIS) production process to ensure quality, reliability, and efficiency to meet deadlines for municipal bond sales. Emily holds a B.S. from the Massachusetts Institute of Technology.

**Henrik N. Westin, Esq.** was appointed General Counsel of EFC on February 17, 2022. Prior to joining EFC, he served as an Assistant Counsel in the Office of the State Comptroller's (OSC) Division of Legal Services. In that capacity, he advised on debt management functions, including the issuance of State general obligation bonds and debt issued by the New York Local Government Assistance Corporation. He also supported OSC on legal issues relating to local government finances and state and local public authorities. He developed and conducted Continuing Legal Education trainings on federal securities laws pertaining to public finance, and debt issuance in New York State. Prior to attending law school, Henrik was an analyst in the asset based structured finance group in the New York City office of Société Générale Group. Henrik served in an artillery battalion in the Swedish armed forces. He holds a B.A. from Skidmore College, M.P.A. from Rockefeller College of Public Affairs & Policy at the University of Albany, and a J.D. from Albany Law School.

**Information on Staff In Decision Making or Managerial Positions with Salaries Greater than \$100,000 as of March 31, 2024**

**William A. Brizzell** is the Director of the Engineering Division. Mr. Brizzell was appointed on June 2, 1997.

**George N. Cholakis** is a Senior Counsel in the Legal Division. Mr. Cholakis was appointed on October 15, 2015.

**Christopher J. Czub** is the Senior Accounting Manager in the Finance and Accounting Division. Mr. Czub was appointed on December 20, 1999.

**Máire Cunningham** is the Program Manager in the Executive Division. Ms. Cunningham was appointed on August 5, 2021.

**Dorian DiCocco** is an Environmental Engineer II in the Engineering Division. Mr. DiCocco was appointed on November 4, 2021.

**Kimberly L. Doherty** is the Debt Service Manager in the Finance and Accounting Division. Ms. Doherty was appointed on November 6, 2003.

**Michael P. Fisher** is the Senior Manager of Information Technology in the Administration and Corporate Operations Division. Mr. Fisher was appointed on February 12, 2001.

**Joanna P. Gleason** is an Associate Counsel in the Legal Division. Ms. Gleason was appointed on February 3, 2022.

**Brian S. Hahn** is a Project Manager in the Engineering Division. Mr. Hahn was appointed on November 2, 2006.

**Gregory E. Holden** is an Application Developer II in the Administration and Corporate Operations Division. Mr. Holden was appointed on January 6, 2003.

**Robert Hom** is the Senior Manager of Investments in the Finance and Accounting Division. Mr. Hom was appointed on February 11, 2019.

**Kate S. Howard** is the Secretary to the Corporation and Associate Counsel in the Legal Division. Ms. Howard was appointed on August 29, 2019.

**Rebecca L. Lanahan** is an Environmental Engineer II in the Engineering Division. Ms. Lanahan was appointed on July 25, 2016.

**Merissa Mabee** is the Human Resources Manager in the Administration and Corporate Operations Division. Ms. Mabee was appointed on September 20, 2023.

**Brian D. McClintock** is the Director of Public Finance in the Finance and Accounting Division. Mr. McClintock was appointed on August 8, 1994.

**Brendan M. McClune** is the Director of Program & Policy Development in the Executive Division. Mr. McClune was appointed on June 9, 2022.

**Sean R. McDermott** is an Associate Counsel in the Legal Division. Mr. McDermott was appointed on April 11, 2022.

**Brian P. McEvoy** is a Project Manager in the Executive Division. Mr. McEvoy was appointed on February 23, 1998.

**Maureen L. McGrath** is the Director of the Administration and Corporate Operations Division. Ms. McGrath was appointed on December 6, 2001.

**Brian W. McGuire** is the Senior Manager of Procurement and Program Compliance in the Administration and Corporate Operations Division. Mr. McGuire was appointed on May 11, 1998.

**Adnan Mirza** is the Systems Administrator II in the Administration and Corporate Operations Division. Mr. Mirza was appointed on May 9, 2022.

**Harry Nelson** is an Environmental Engineer III in the Engineering Division. Mr. Nelson was appointed on April 6, 1998.

**Kaitlin J. Penner** is the Deputy Director of the Engineering Division. Ms. Penner was appointed on May 28, 2020.

**Bernadette Picarazzi-Futia** is an Information Technology Coordinator III in the Administration and Corporate Operations Division. Ms. Picarazzi-Futia was appointed on October 15, 2001.

**Elizabeth U. Ricci** is an Environmental Engineer III in the Engineering Division. Ms. Ricci was appointed on May 27, 2014.

**Karen D. Rusin** is an Environmental Engineer III in the Engineering Division. Ms. Rusin was appointed on June 28, 2012.

**Albert B. Schnide** is the Controller in the Finance and Accounting Division. Mr. Schnide was appointed on February 28, 2019.

**Derek D. Sellman** is the Deputy General Counsel in the Legal Division. Mr. Sellman was appointed on October 23, 2017.

**Carole A. Sitterly** is a Financial Analyst III in the Finance and Accounting Division. Ms. Sitterly was appointed on June 17, 1996.

**John A. Spath** is a Senior Counsel in the Legal Division. Mr. Spath was appointed on September 13, 2021.

**Jennifer L. Sunkes** is an Equity Finance Manager in the Finance and Accounting Division. Ms. Sunkes was appointed on August 3, 1998.

**Sarah A. Valis** is an Associate Counsel in the Legal Division. Ms. Valis was appointed on March 15, 2021.

**Rebecca Walker** is the Senior Equity Finance Manager in the Finance and Accounting Division. Ms. Walker was appointed on January 31, 2018.

**Steven E. Weingold** is an Application Developer II in the Administration and Corporate Operations Division. Mr. Weingold was appointed on November 16, 2006.

**New York State Environmental Facilities Corporation****List of Employees in Decision Making or Managerial Positions with Salaries Greater than \$100,000 as of 3/31/24**

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Grade Level</u></b>	<b><u>Salary</u></b>
Maureen A. Coleman	President and CEO	Non-equated	\$208,062
Michael P. Hale	Executive Vice President	M-8	\$200,881
Henrik N. Westin	General Counsel	M-7	\$183,484
George N. Cholakis	Senior Counsel	M-6	\$178,634
Maureen L. McGrath	Director of Administration & Corp. Ops.	M-6	\$175,937
William A. Brizzell	Director of Engineering	M-6	\$170,828
Emily A. Jamieson	Chief Financial Officer	M-7	\$169,950
Derek D. Sellman	Deputy General Counsel	M-5	\$166,777
Brian D. McClintock	Director of Public Finance	M-4	\$153,558
Albert Schnide	Controller	M-4	\$144,106
Kaitlin J. Penner	Deputy Director of Engineering	M-4	\$138,448
Brian W. McGuire	Senior Manager, Procurement & Prog. Compliance	M-3	\$134,249
Michael P. Fisher	Senior Manager, Information Technology	M-3	\$133,513
Brendan M. McClune	Director of Program and Policy Development	M-3	\$130,991
John A. Spath	Senior Counsel	M-4	\$129,882
Rebecca Walker	Senior Equity Finance Manager	M-3	\$129,546
Robert Hom	Senior Manager, Investments	M-3	\$129,544
Gregory E. Holden	Application Developer II	M-2	\$128,519
Elizabeth U. Ricci	Environmental Engineer III	M-2	\$127,330
Kate S. Howard	Secretary to the Corporation/Associate Counsel	M-3	\$125,154
Brian P. McEvoy	Project Manager	M-2	\$123,761
Karen D. Rusin	Environmental Engineer III	M-2	\$123,761
Harry Nelson	Environmental Engineer III	M-2	\$123,761
Christopher J. Czub	Senior Accounting Manager	M-2	\$122,888
Jennifer L. Sunkes	Equity Finance Manager	M-2	\$121,293
Steven E. Weingold	Application Developer II	M-2	\$120,339
Sean R. McDermott	Associate Counsel	M-3	\$115,232
Kimberly L. Doherty	Debt Service Manager	M-1	\$114,810
Dorian DiCocco	Environmental Engineer II	M-1	\$111,592
Brian S. Hahn	Project Manager	M-1	\$111,592
Joanna P. Gleason	Associate Counsel	M-2	\$113,584
Merissa Mabee	Human Resources Manager	M-3	\$112,000
Rebecca L. Lanahan	Environmental Engineer II	M-1	\$110,234
Adnan Mirza	Systems Administrator II	M-1	\$109,062
Bernadette Picarazzi-Futia	Information Technology Coordinator III	MC-23	\$105,136
Sarah A. Valis	Associate Counsel	M-2	\$104,387
Máire Cunningham	Program Manager	M-2	\$104,161
Carole A. Sitterly	Financial Analyst III	MC-23	\$102,189

## **Authority Mission Statement and Performance Measurements**

### **Name of Public Authority:**

New York State Environmental Facilities Corporation

### **Public Authority's Mission Statement:**

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

**Adopted:** April 15, 2010

**Last reviewed and approved on:** May 23, 2024

### **List of Performance Goals:**

1. Implement creative financial solutions for recipients with diverse demographic profiles to address water quality and public health needs.
2. Deliver distinctive value through technical and programmatic expertise in various aspects of all financed projects.
3. Engage communities to maximize use of EFC funding to protect the environment and public health.
4. Provide funding assistance to improve water quality and mitigate the effects of climate change through green infrastructure, energy efficiency, water efficiency and environmental innovation.
5. Enhance organizational resiliency by embedding strong internal processes and quality review in our corporate strategies.

### **Additional Questions**

- 1. Have the board members acknowledged that they have read and understood the mission of the public authority?**

Yes

- 2. Who has the power to appoint the management of the public authority?**

The President and Chief Executive Officer is appointed by the Board of Directors. All Officers of the Corporation are appointed by the President subject to approval by resolution of the Board of Directors. All other staff are appointed by the President and Chief Executive Officer.

- 3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?**

The Board of Directors does not appoint the management of EFC.

- 4. Briefly describe the role of the Board and the role of management in the implementation of the mission.**

The business and affairs of the Corporation are managed by the Board of Directors. The Board is responsible for direct oversight of the President and CEO and other officers and senior management of the Corporation in the effective and ethical management of the Corporation. Each director is responsible for understanding, reviewing and monitoring the implementation of fundamental financial and management controls and operational decisions of the Corporation. Management of the Corporation is responsible for the execution of the programs and policies as established by the Board of Directors.

- 5. Has the Board acknowledged that they have read and understood the responses to each of these questions?**

Yes



**Performance Measurements Report  
April 1, 2023 - March 31, 2024**

**1. Implement creative financial solutions for recipients with diverse demographic profiles to address water quality and public health needs.**

Consideration of Environmental Justice Areas / Disadvantaged Communities

In the Federal Fiscal Year (FFY) 2021-22, the Clean Water and Drinking Water Intended Use Plans, and the Hardship Policies were updated to make interest-free financing more widely available. Municipalities that would otherwise not be eligible for hardship financing may be eligible if their project serves, protects, or benefits a Potential Environmental Justice Area (PEJA). Three communities pursued this option in FFY 2022-23. One of the applicants was determined to be eligible, because they provided a 50% benefit to the PEJA area. Increased federal funding is expected to raise interest in this program because more grant funding is available to those that are eligible for hardship.

Since the enactment of the Infrastructure Investment and Jobs Act of 2021, also known as the Bipartisan Infrastructure Law (BIL), EPA has encouraged state revolving fund (SRF) programs to evaluate their definitions of “affordability” and “disadvantaged community” to ensure that SRF programs are reaching the communities that most need funding. Such evaluation should also help ensure that the SRFs are meeting the requirements of the federal Justice40 initiative, which, like the State’s Climate Leadership and Community Protection Act (CLCPA) and the Clean Water, Clean Air, and Green Jobs Environmental Bond Act of 2022, has the goal of delivering at least 40% of the overall benefits from certain federal investments (including the SRFs) to disadvantaged communities.

In December 2023, EFC awarded \$309 million in Water Infrastructure Improvement (WIIA) and Intermunicipal Water Infrastructure Act (IMG) grant funding to 82 projects benefitting PEJAs or Disadvantaged Communities (DACs), which equaled 69% of the total funding provided, and 53% of the projects awarded. Eight of the 10 Green Innovation Grant Program (GIGP) grants awarded in February 2024 were awarded to projects in PEJA communities.

Updated Hardship Policy

During 2022, EFC revised the clean water SRF (CWSRF) Hardship Policy and affordability criteria in an effort to focus BIL interest-free financing and grant to those that need it the most. In 2023, EFC again updated its policy and definition of affordability to reflect adoption of a final definition of disadvantaged community (DAC) for purposes of the CLCPA.

The revisions to the Hardship Policy also allow small, rural, and disadvantaged communities to receive higher BIL and WIIA/IMG grants because CW WIIA/IMG grants are no longer net of other EFC grants.

### Consideration of Impact to Ratepayers

EFC has evaluated how it may assist communities whose demographics (median household income and poverty rate) on their face do not evidence a need for hardship funding but for whom available census data may not reflect an accurate demographic picture, or where the project cost must be borne by a small number of ratepayers. EFC has been collecting information regarding user costs and the impact of EFC-funded projects on user costs. This information may be used to adjust the eligibility criteria for hardship and grant in the future, especially for systems with a low number of ratepayers. EFC has also engaged technical assistance providers to examine ways to address impacts to ratepayers. This effort is ongoing.

## **2. Deliver distinctive value through technical and programmatic expertise in various aspects of all financed projects.**

### \$150 million State Commitment to the City of Mount Vernon

Since the April 15, 2022 announcement that the State will direct \$150 million to the City of Mount Vernon to replace aging water and sewer infrastructure, EFC has been dedicating significant financial, technical, and legal resources to support the City and ensure they have the technical, financial, and managerial assistance they need to expedite critical projects to protect the environment, public health, and residents' quality of life. EFC committed \$2 million in administrative funds to the City to support managerial, engineering, and staff capacity. To date, EFC has executed 6 contracts totaling \$17.77 million related to this initiative and has disbursed \$8,362,789.34 to the City. The contract to construct a pump station to correct continuing blockage issues at 3<sup>rd</sup> Street was substantially completed this year. Remaining contracts include lead service line inventories and storm/sanitary sewer system investigations and spot repairs. The investigations are anticipated to lead to significant construction and repairs in SFY 2024-25.

### EFC Bond Issuance

EFC closed three series of bonds in SFY 2023-24. Series 2023 A was closed in May 2023. This transaction refunded EFC's Series 2012 B, 2012 E and 2013 B with a true interest cost (TIC) of 3.17% and provided a benefit of \$25 million to 93 recipients.

In addition, EFC closed on Series 2023 B in June 2023. This transaction on behalf of the New York City Municipal Water Finance Authority (NYCMWFA) refunded EFC's Serie 2013 A, with a TIC of 3.53% and provided a savings of \$23.5 million to NYCMWFA.

In the last transaction of the SFY, Series 2023 C closed in December 2023. This transaction included financings for 21 recipients and had a TIC of 4.69%. This transaction will provide an estimated \$57 million in subsidy to the participating recipients.

During SFY 2023-24, EFC maintained the AAA/Aaa credit ratings for the 2010 Master Financing Indenture and the senior and subordinate NYCMWFA Indentures.

### Project Impact Dashboard

During SFY 2023-24, EFC has been developing a “Project Impact Dashboard” using maps and other graphics to show the number of projects that have closed with EFC funding and those that have completed construction. The dashboard is intended to show the impact of both state and federal funding on water infrastructure projects across New York State. EFC expects the dashboard to be public in June 2024.

### **3. Engage communities to maximize use of EFC funding to protect the environment and public health.**

#### State Water Grants

EFC awarded nearly \$450 million in Water Infrastructure Improvement (WIIA), Emerging Contaminant (EC), and Intermunicipal Water Infrastructure (IMG) grants to support 156 projects, totaling over \$1.5 billion in project costs. This included the first funding awarded through the Bond Act in the amount of \$200 million.

On February 5, 2023, EFC announced a new round of the WIIA/IMG program which includes an enhanced WIIA award for clean water projects. Projects serving small, rural, and disadvantaged communities with a population of 3,500 or less may qualify for up to 50% of net eligible project costs. To qualify for the enhanced WIIA award, the community must meet the hardship criteria as defined in the 2024 Clean Water Hardship Policy or the project (without the grant) would result in residential user rates exceeding 1.5% of the Median Household Income (MHI) of the community. This would allow for a municipality to potentially receive 100% grant on a project if they receive an enhanced WIIA grant and a BIL grant.

Since the inception of state water grants in 2015, EFC has awarded 1,049 grants to 560 communities for drinking or clean water infrastructure projects. These grants have saved recipients over \$5.9 billion dollars in potential financing costs associated with water and wastewater projects.

### Engineering Planning Grant (EPG) Program

In 2023, \$3 million was made available for another round of the EPG Program. Seventy-eight applications were received through August 11, 2023. On February 15, 2024, EFC awarded \$3,004,900 to support 62 projects that submitted complete applications.

Since the inception of the EPG Program in 2012, EFC has disbursed \$21.2 million to fund 623 EPG Program projects, which has led to over \$920 million in CWSRF financings for clean water infrastructure projects.

### Clean Water State Revolving Fund (CWSRF)

In SFY 2024 EFC closed \$1.5 billion in CWSRF financial assistance agreements for 191 clean water infrastructure projects.

Since inception of the program in 1987, the CWSRF has provided over \$38 billion in financial assistance to over 600 distinct municipalities for clean water infrastructure projects that protect and improve water quality and public health throughout the State.

As of March 31, 2023, the total net position of the CWSRF was \$6.2 billion.

### Implementation of Bipartisan Infrastructure Law

The BIL is a federal infrastructure funding package that was signed into law on November 15, 2021. In part, the law provides the US Environmental Protection Agency (EPA) with funds to be awarded through states' SRFs to strengthen the nation's wastewater and drinking water systems. The BIL will provide additional funding to the State SRFs annually for five years, starting in Federal Fiscal Year (FFY) 2022. The State will receive approximately \$501 million for these purposes under BIL for FFY 2023. This funding will allow the SRFs to support a greater number of water quality and infrastructure improvement projects throughout the State.

In SFY 2024, EFC closed 8 financial assistance agreements that included BIL funding. The financial assistance agreements totaled approximately \$115 million, including approximately \$96 million in BIL funds.

### Drinking Water State Revolving Fund (DWSRF)

In SFY 2024, the EFC closed \$757 million in financial assistance agreements for 78 drinking water projects, including \$3.5 million in DWSRF grants to 4 disadvantaged communities.

Since inception of the DWSRF program in 1996, the DWSRF has provided \$9.8 billion in financial assistance to public water systems throughout the State, including \$404 million in DWSRF grants, to over 500 recipients.

As of March 31, 2023, the total net position of the DWSRF was \$1.4 billion.

### Program Outreach / Technical Assistance

EFC expanded its community and public outreach efforts during SFY 2023-24. EFC provided nearly 50 presentations, both in-person and virtual, to communities across the State. These presentations provided information about EFC's funding programs, program requirements, and ways for communities to access financial assistance related to their water infrastructure projects. EFC proactively searches for potential venues and events where EFC may participate to reach as diverse and large an audience as possible.

In February 2023, the Governor announced EFC's Community Assistance Teams (CATs) initiative. This initiative works with small, rural, and disadvantaged communities to help them access water infrastructure funding. Coordinating with DOH and partner agencies including the Departments of Environmental Conservation (DEC), State, and Homes and Community Renewal, and Regional Economic Development Councils, EFC has and will continue to increase the accessibility of available funding by holding community assistance events, providing direct one-on-one consultations, and offering ongoing support to municipalities.

Since the inception of the CATs program in 2023, the CATs have held 20 regional webinars attended by 550 local government officials and had 95 one-on-one consultations with municipalities.

#### **4. Provide funding assistance to improve water quality and mitigate the effects of climate change through green infrastructure, energy efficiency, water efficiency and environmental innovation.**

### Green Innovation Grant Program (GIGP)

GIGP encourages communities to undertake green infrastructure, energy efficiency, water efficiency, and environmentally innovative projects. Green stormwater infrastructure projects provide multiple benefits, including reduced CSO and SSO events, flood protection, habitat restoration, improved air and water quality, and reduction in urban heat island effect. The installation of water meters has been shown to reduce water use by residents thereby reducing operation and maintenance costs for both drinking water and wastewater treatment systems.

In May 2023, up to \$15 million was made available for another round of the GIGP Program. EFC received 61 eligible GIGP applications for over \$82 million in total project costs. On February 15, 2024, EFC awarded \$15 million to 10 projects.

Since the inception of the GIGP in 2009, EFC has disbursed over \$158.8 million to fund 220 green infrastructure projects. 8 projects were closed out during this reporting period.

### Green Resiliency Grants (GRG)

In 2024, EFC will administer up to \$60 million in Bond Act funding through the upcoming Green Resiliency Grants (GRG) program, which funds green infrastructure projects, including green roofs, green streets, and permeable pavement. Areas most susceptible to the impacts of climate and extreme weather events will be prioritized for funding. Eligible projects will bring transformative benefits for the communities they serve. Green practices have multiple benefits, including flood protection, habitat restoration, improved air and water quality, reduction in urban heat island effect, and street and neighborhood beautification that can spur economic development and community revitalization.

### Asset Management Program

During SFY 2023-24, EFC continued to work with DEC's Division of Water to implement the Asset Management Program for wastewater infrastructure.

In 2022, EFC issued a Request for Proposals, and 10 engineering firms were selected to work with 27 volunteer communities under the direction of the lead engineering firm previously selected. The 10 engineering consultants will develop asset management plans for these communities of varied sizes using the State's Asset Management Guide that includes recommended procedures and best practices to evaluate the resiliency of wastewater infrastructure assets to storm events and measures for resilience assessment to protect critical assets. It is expected that the engineering consultants in the Program will learn a consistent approach to asset management plan development that can be applied for municipalities across the State. To date, 14 asset management plans are in various stages of development, 4 additional plans are in the start-up phase and the remainder will be started as the plans under development are completed.

Since the inception of the Asset Management Program in 2023, EFC has disbursed \$2.5 million, including \$2.2 million in SFY 2023-24.

## **5. Enhance organizational resiliency by embedding strong internal processes and quality review in our corporate strategies.**

### Succession Planning/Employee Retention

In SFY 2023-24, EFC continued its review of staffing levels and evaluation of anticipated employee loss in the upcoming year due to retirements and other factors. During the year, EFC hired several employees and is in the process of hiring several additional employees. These additions address anticipated increased workload due to BIL, the Bond Act, CATs, and the new Green Resiliency Grant Program, as well as

implements our succession plan that considers the number of retirements expected within the next five years.

EFC continues to enhance its processes to ensure that every member of our team feels heard and valued as part of our efforts to retain employees and maintain high morale among all staff. In the third quarter, an employee satisfaction survey was undertaken. In January 2024, an all-staff meeting was held to discuss the results of the survey. We also discussed what Executive Staff had done over the year to implement all the commitments it had made in response to the prior year's survey.

The President and Executive Vice President continue to meet with each Division quarterly to have an open discussion on any topics staff want to discuss. In addition, EFC has instituted quarterly manager's meetings where all staff in a management role gather to employee wellness, diversity, equity and inclusion, program implementation, and other emerging issues.

During the past year, our exit interview protocol was revised to better understand the experiences and insights of separating team members. We recognize the value in understanding the reasons behind departures and are eager to implement changes that foster a culture of continuous improvement. We continue to solicit input from new employees, and our existing six-month survey for recent hires remains in place, providing us with valuable insights into their onboarding experience and initial impressions of working at EFC.

In addition, we have introduced a three-month performance evaluation for new employees. This evaluation will only assess performance to ensure appropriate early feedback is provided to the employees. The evaluation also provides a platform for soliciting feedback from new team members, ensuring their voices are heard and they feel valued at EFC.

#### Site Visits/Document Collection

EFC uses its site visit and document collection program to ensure that recipients are meeting CWSRF program requirements. Construction-related documents must be provided to EFC and a site visit conducted prior to closing a long-term financing.

During the SFY, EFC requested construction-related documents for 71 projects and conducted 57 site visits for the CWSRF program. EFC also collected documents for 11 additional DWSRF projects.

From a broader standpoint, EFC staff from all divisions have been encouraged to attend site visits periodically. EFC leadership has determined that these visits foster a greater understanding of the impact of EFC's work on the communities we serve and broadens

the knowledge of our staff. Staff that attend site visits have overwhelmingly positive feedback on the experience.

### Internal Controls

EFC annually assesses the effectiveness of its internal control structure and procedures. In the last year, EFC improved its system of internal control to enhance its ability to assess inherent and residual risk. EFC has measured, and periodically remeasures, the level of risk associated with each of its functions. The highest risk functions are reviewed annually, while all functions are reviewed at least every three years. EFC reviews and tests the internal controls associated with functions to ensure the controls mitigate risk to a level at or below EFC's risk tolerance. When exceptions are identified, corrective action plans are developed to sufficiently mitigate the risk. For example, EFC revised its procedures related to how municipalities can submit and change wire instructions for payments. These changes will help prevent attempts by unverified individuals or entities from fraudulently submitting changes to municipal account information.

### Information Technology (IT) Improvements

EFC enhanced its secure backup and recovery software solution with Rubrik Cloud Vault. Rubrik Cloud Vault is a fully managed cloud service that enables organizations to have isolated, immutable copies of their protected data in the cloud. These copies support recovery from cyber-attacks, natural disasters and other interruptions.

EFC developers are continuing to redesign legacy PowerBuilder applications and functionality into the Microsoft Blazor framework. Recent successes include the WIIA application, loan application, finance credit report and EFC investments. GIGP and EPG application modules are currently replacing consolidated funding application (CFA) functionality. Work is currently underway to redesign the EFC loan servicing system.

EFC added CrowdStrike Falcon Spotlight to its Endpoint Security Services (ESS) offered by the Center for Internet Security (CIS). CrowdStrike Falcon Spotlight is a cloud-based vulnerability management tool that offers real-time assessment of vulnerability exposure on endpoints. This feature allows EFC IT staff to identify and prioritize software patching.

EFC completed another three-phase phishing assessment for all staff, provided by the NYS Division of Homeland Security and Emergency Services (DHSES). The assessment consisted of two phishing campaigns and a five-module training course for each staff member. This exercise will be conducted quarterly with critical training being provided to recently onboarded staff at the onset of employment. All staff continue to receive DHSES cyber training, and mandatory statewide cyber training on an annual basis.



EFC continuously manages end-of-life hardware and software replacement in order to maintain operational efficiency and reduce security risks. EFC replaced or eliminated a number of switches, UPS units connected to mission critical systems, and Windows Domain Controllers no longer receiving software support.

EFC ran new fiber cables from the ITS Datacenter to EFC's server room in preparation for a follow-on network upgrade project. The rewiring eliminated numerous points of failure and end of life hardware associated with the legacy configuration.

DHSES conducted a tabletop exercise with key EFC management and personnel. The three-hour exercise walked EFC through a mock incident and tested our cyber incident response plan and preparations. The exercise was customized by DHSES staff to reflect our organization's unique structure and resources, which will help drive improvements in existing plans and procedures. The scenario used in the exercise was based on a real-world incident that has impacted government entities in New York State in the past. EFC has begun implementing the recommendations provided by DHSES, including updating the incident response plan, after hours contact information and providing a clear chain of command in the event of a cyber incident.

EFC scheduled and has performed preliminary work on an upcoming Cybersecurity Risk Assessment with DHSES. The risk assessment program provides actionable recommendations to improve our cybersecurity posture. Cybersecurity Risk Assessments are comprised of three phases, including an Edge Assessment, which examines the organization's internet-facing perimeter and evaluates it for weaknesses that could be exploited, an Internal Vulnerability Assessment, which is an exercise that changes focus, adopting the perspective of an internal attacker, and a Security Program Posture Assessment that measures an organization's cybersecurity posture against CIS controls.

# Internal Control Certification

**Authority Name:** New York State Environmental Facilities Corporation

**President and Chief Executive Officer:** Maureen A. Coleman

**Authority Address:** 625 Broadway, Albany, NY 12207-2997

**Telephone Number:** (518) 402-6924

**Name of Internal Control Officer:** Brendan McClune

**Email of Internal Control Officer:** [Brendan.McClune@efc.ny.gov](mailto:Brendan.McClune@efc.ny.gov)

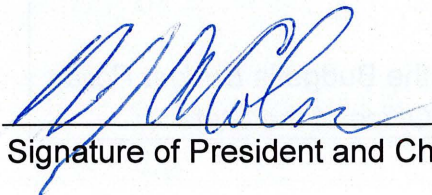
**Telephone Number:** (518) 402-6924

**Form Completed by:** Brendan McClune

This Internal Control Certification describes the New York State Environmental Facilities Corporation's ("EFC" or "Corporation") assessment of the effectiveness of its internal control structure and procedures, as required by Public Authorities Law §2800 (a)(1)(9), and its compliance with the requirements of the New York State Governmental Accountability, Audit and Internal Control Act of 1987 ("Internal Control Act").

Specifically, this Certification illustrates the Corporation's compliance by identifying public authorities' internal control and internal audit responsibilities, as codified in Public Authorities Law §§ 2931 and 2932, and describing the Corporation's actions to comply with those responsibilities.

This statement certifies that the New York State Environmental Facilities Corporation followed a process that assessed and documented the adequacy of its internal control structure and procedures for the year ended March 31, 2024. To the extent that deficiencies are identified, corrective action plans will be implemented to reduce any corresponding risk.



Signature of President and Chief Executive Officer

6/28/2024  
Date

# Internal Control Certification

## Detailed Justification

**Agency Name:** New York State Environmental Facilities Corporation

- 1. Establish and maintain guidelines for a system of internal control that are in accordance with Article 9 of the Public Authorities Law and internal control standards.**

**For this requirement, the Corporation is:**

**Fully Compliant**       **Partially Compliant**       **Not Compliant**

The Corporation has established and maintains guidelines for an effective system of internal control.

1. The President and Chief Executive Officer clearly communicates to all employees the importance of effective internal controls. Executive Staff ensure all employees understand the Corporation's mission and primary objectives, and the employees' roles in achieving the mission and objectives. Executive Staff have made it a priority to ensure staff connect with the Corporation's mission and adhere to internal controls to provide reasonable assurance that the Corporation will achieve its objectives.
2. Executive Staff must certify annually that their division complies with Public Authorities Law § 2931 (2) by establishing and maintaining a system of internal control and a program for internal control review.
3. Each division maintains detailed procedures to execute their functions.
4. The Corporation has a SharePoint site solely dedicated to internal controls. The site includes:
  - a. A document that outlines the Corporation's process for evaluating internal controls.
  - b. Reference materials such as the Division of the Budget's *Budget Policy and Reporting Manual Item B-0350* and the Office of the State

Comptroller's *Standards for Internal Control in New York State Government.*

- c. Risk assessment, internal control review, compliance testing and corrective action plan forms, and guidance to complete the forms.
- 5. The Internal Control Officer directs Senior and Executive staff to the resources on the SharePoint site on multiple occasions each year.
- 6. The Internal Control Officer annually meets with Senior and Executive staff to communicate expectations and refresh them on the internal control review process.
- 7. All new employees are required to take the Governor's Office of Employee Relations' mandatory internal controls training within 90 days after their start date. EFC requires all employees to take the internal controls training every calendar year to refresh them on internal control concepts and reinforce the importance of internal controls.

- 2. Establish and maintain a system of internal control and a program of internal control review. The program of internal review shall be designed to identify internal control weaknesses, identify actions that are needed to correct these weaknesses, monitor the implementation of necessary corrective actions and periodically assess the adequacy of the authority's ongoing internal controls.**

**For this requirement, the Corporation is:**

- Fully Compliant**     **Partially Compliant**     **Not Compliant**

EFC has established and maintains internal controls that provide reasonable assurance regarding the accomplishment of its objectives. EFC has also established a program of internal control review to ensure its internal controls are designed properly and operating effectively to mitigate risk. The internal control review process requires division staff to:

- 1. Identify division or unit functions and clearly define their objectives.
- 2. Perform a risk assessment and internal control review on each function to quantify their inherent and residual risks.

3. Test properly designed control activities to determine if they are operating effectively.
4. Develop corrective action plans to implement properly designed control activities or ensure properly designed control activities are operating as intended.
5. The Internal Control Officer reviews all risk assessments, internal control reviews, compliance tests, and corrective action plans to ensure:
  - a. All internal control documents were completed properly;
  - b. Control activities adequately mitigate risks to the Corporation or corrective action plans are in place to adequately mitigate risk; and
  - c. Create data visualizations to provide Executive Staff with insight into the Corporation's inherent and residual risks.
6. All corrective action plans identify the responsible individual, define the problem, identify the root cause, record the actions to be taken to remedy the problem, establish target completion dates for each action, and create a progress reporting structure. The Internal Control Officer monitors all corrective action plans and follows up with the responsible individuals near the estimated completion dates to assess progress. Corrective action plans and progress reports are also shared with all Executive Staff.

Upon completing all required risk assessments, internal control reviews, compliance tests, and corrective action plans, Executive Staff attest to complying with Public Authorities Law § 2931 (2).

3. **Make available to each member, officer, and employee a clear and concise statement of the generally applicable managerial policies and standards with which they are expected to comply. Such statement shall emphasize the importance of effective internal control to the authority and the responsibility of each member, officer, and employee for effective internal control.**

**For this requirement, the Corporation is:**

**Fully Compliant**     **Partially Compliant**     **Not Compliant**

EFC has many policies and procedures with which staff are expected to comply, including but not limited to:

- Code of Ethical Conduct;
- Conflict of Interest;
- Policies and Procedures on Procurement Lobbying;
- Equal Employment Opportunity;
- Whistleblower Protection;
- Sexual Harassment; and
- Workplace Violence Prevention.

Each year, the fundamental policies of the Corporation are reviewed and approved by the Board of Directors. These policies outline the duties and responsibilities of all staff, management, officers, and members of the Board of Directors. In addition, every position in the Corporation has a position description and classification specification that outlines the duties, responsibilities, and qualifications. All EFC employees have access to all policies, procedures, manuals, and guidance documents.

**4. Designate an internal control officer, who shall report to the head of the authority, to implement and review the internal control responsibilities established pursuant to Public Authorities Law § 2931.**

**For this requirement, the Corporation is:**

- Fully Compliant**       **Partially Compliant**       **Not Compliant**

The President and Chief Executive Officer designated Brendan McClune as Internal Control Officer on November 17, 2022. Mr. McClune ensures the Corporation is compliant with the internal control responsibilities established pursuant to Public Authorities Law § 2931 and reports directly to the Executive Vice President and President and Chief Executive Officer on internal control matters.

**5. Implement education and training efforts to ensure that members, officers, and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.**

**For this requirement, the Corporation is:**

- Fully Compliant**       **Partially Compliant**       **Not Compliant**

All new employees are required to take the Governor's Office of Employee Relations' mandatory internal controls training within 90 days after their start date. EFC requires all employees to take the internal controls training every calendar year to refresh them on internal control concepts and reinforce the importance of internal control.

Annually, EFC's Internal Control Officer provides guidance to staff responsible for completing risk assessments, internal control reviews, compliance testing, and corrective action plans. Staff executing these tasks for the first time are encouraged to meet with the internal control officer to learn the process, requirements, and best practices.

The Internal Control Officer provides all employees involved in activities supporting this certification with EFC's internal control forms, instructions, and internal control-related literature.

- 6. The governing board of each covered authority or its designee shall determine, and periodically review the determination of, whether an internal audit function within the covered authority is required.**

**For this requirement, the Corporation is:**

**Fully Compliant**       **Partially Compliant**       **Not Compliant**

On June 20, 2024, the Board of Directors determined an internal audit function within the Corporation is not required at this time. The Board of Directors will review this determination at the Corporation's annual meeting next year.



## **Code of Ethical Conduct**

### **A. Introduction and General Rule**

This Code of Ethical Conduct (“Code”) applies to all Board members, officers, and employees of the Environmental Facilities Corporation (“EFC”). The Code is intended to implement provisions of the Public Officers Law and the Public Authorities Law, as well as the regulations, guidelines, executive orders and best practices applicable to EFC.

Board members, officers, or employees shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of their duties in the public interest.

### **B. Ethical Standards Applicable to Board Members, Officers, and Employees**

1. Board members, officers, and employees should not accept other employment which will impair their independence of judgment in the exercise of their official duties to EFC.
2. Board members, officers, and employees should not accept employment or engage in any business or professional activity which will require them to disclose confidential information which they have gained by reason of their official position or authority with EFC.
3. Board members, officers, and employees should not disclose confidential information acquired in the course of their official duties with EFC nor use such information to further their personal interests.
4. Board members, officers, and employees should not use or attempt to use their official position with EFC to secure unwarranted privileges or exemptions for themselves or others, including but not limited to, the misappropriation to themselves or to others of the property, services or other resources of EFC or the State for private business or other compensated non-governmental purposes.
5. Board members, officers, and employees should not engage in any transaction as representative or agent of EFC with any business entity in which they have a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of their official duties with EFC.



6. Board members, officers, and employees should not by their conduct give reasonable basis for the impression that any person can improperly influence them, or unduly enjoy their favor in the performance of the official duties to EFC, or that they are affected by the kinship, rank, position or influence of any party or person.
7. Board members, officers, and employees shall not directly or indirectly make, advise, or assist any person to make any financial investment based upon information available through their official position that could create any conflict between their duties to EFC in the public interest and their private interests.
8. Board members, officers, and employees should not pursue a course of conduct that will raise suspicion among the public that they are likely to be engaged in acts that are in violation of the public's trust.

**C. Ethical Standards Regarding Board Member, Officer, and Employee Participation in Outside Activities**

1. Board members, officers, and employees shall not receive, or enter into any agreement express or implied for, compensation for services to be rendered in relation to any case, proceeding, application, or other matter before any State agency, or any executive order, or any legislation or resolution before the State legislature, where their compensation is dependent or contingent upon any action by such agency or legislature.
2. Board members, officers, or employees shall not receive, directly or indirectly, or enter into any agreement express or implied for, any compensation, in whatever form, for the appearance or services by themselves or another against the interest of the State in relation to any case, proceeding, application or other matter before, or the transaction of business by themselves or another with, the Court of Claims.
3. Board members, officers, and employees, or corporation that a Board member, officer, or employee directly or indirectly owns or controls 10% or more of shall not (i) sell any goods or services having a value in excess of \$25 to any State agency, or (ii) contract for or provide such goods or services with or to any private entity where the power to contract, appoint or retain on behalf of such private entity is exercised, directly or indirectly, by a State agency or officer thereof, unless such goods or services are provided pursuant to competitive procurement.
4. Board members, officers, and employees shall not, directly or indirectly solicit, accept or receive any gift having more than a nominal value, whether in the form of money, service, loan, travel, lodging, meals, refreshments, entertainment, discount, forbearance or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended to influence them, or could reasonably be expected to influence them, in the performance of their official duties or was intended as a reward for any official action on their part.

5. Board members, officers, and employees, other than in the proper discharge of official governmental duties, shall not receive, directly or indirectly, or enter into any agreement express or implied for, any compensation, in whatever form, for the appearance or services by themselves or another in relation to any case, proceeding, application or other matter before a State agency where such appearance or rendition of services is in connection with:
  - a. the purchase, sale, rental or lease of real property, goods or services, or a contract therefor, from, to or with any such agency;
  - b. any proceeding relating to rate making;
  - c. the adoption or repeal of any rule or regulation having the force and effect of law;
  - d. the obtaining of grants of money or loans;
  - e. licensing; or
  - f. any proceeding relating to a franchise provided for in the Public Service Law.
6. Board members, officers, and employees shall not receive, directly or indirectly, or enter into any agreement express or implied, for any compensation, in whatever form, for the rendering of consulting, representational, advisory, or other services by themselves or another in connection with any proposed or pending bill or resolution in the Senate or Assembly.
7. No person who has served as an EFC Board member, officer, or employee shall within a period of two years after the termination of such service or employment appear or practice before EFC or receive compensation for any services rendered by such former Board member, officer, or employee on behalf of any person, firm, corporation or association in relation to any case, proceeding or application or other matter before EFC.
8. No person who has served as an EFC Board member, officer, or employee shall after the termination of such service or employment appear, practice, communicate or otherwise render services before any State agency on behalf of any person, firm, corporation or other entity in relation to any case, proceeding, application or transaction with respect to which the Board member, officer, or employee was directly concerned and in which they personally participated during the period of service or employment with EFC, or which was under their active consideration.
9. A Board member, officer, or employee who is a member, associate, retired member, of counsel to, or shareholder of any firm, association or corporation which is appearing or rendering services in connection with any case, proceeding, application or other matter listed in paragraph 5 of this Section C

shall not orally communicate, with or without compensation, as to the merits of such cause with an officer or an employee of the agency concerned with the matter.

10. No Board member, officer, or employee may participate in any decision to hire, promote, discipline, or discharge a relative for any compensated position at EFC.
11. Board members, officers, and employees shall not:
  - a. participate in any State contracting decision involving the payment of more than \$1,000 to that individual, any relative of that individual, or any entity in which that individual or any relative has a financial interest; or
  - b. participate in any decision to invest public funds in any security of any entity in which that individual or any relative of that individual has a financial interest, is an underwriter, or receives any brokerage, origination or servicing fees.
12. Board members, officers, employees involved in the awarding of State grants or contracts shall not ask a current or prospective grantee or contractor, or any officer, director or employee thereof, to disclose: (i) the party affiliation of such grantee or contractor, or any officer, director or employee thereof; (ii) whether such grantee or contractor, or any officer, director or employee thereof, has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether such grantee or contractor, or any officer, director or employee thereof, cast a vote for or against any elected official, candidate or political party.
13. Board members, officers, and employees shall not award or decline to award any State grant or contract, or recommend, promise or threaten to do so, in whole or in part, because of a current or prospective grantee's or contractor's refusal to answer any inquiry prohibited by paragraph 12 of this Section C, or giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.
14. Board members, officers, and employees shall not, during the consideration of an employment decision, ask any applicant for public employment to disclose: (i) the political party affiliation of the applicant; (ii) whether the applicant has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether the applicant cast a vote for or against any elected official, candidate or political party. The provisions of this section shall not apply where (1) such inquiry is necessary for the proper application of any State law or regulation; or (2) such inquiry is consistent with publicly disclosed policies or practices of EFC, whose purpose is to ensure the representation of more than one political party on any multi-member body.

15. Board members, officers, and employees shall not decline to hire or promote, discharge, discipline, or in any manner change the official rank or compensation of any State official or employee, or applicant for employment, or promise or threaten to do so, based upon a refusal to answer any inquiry prohibited by paragraph 14 of this Section C, or for giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

16. Board members, officers, and employees shall not, directly or indirectly, use their official authority to compel or induce any other State officer, director, or employee to make or promise to make any political contribution, whether by gift of money, service or other thing of value.

Specific policy and approval procedures for Board members, officers, and employees regarding participation in outside activities can be found in EFC's Policy on Participation in Outside Activities.

#### **D. Ethical Standards Regarding Conflicts of Interest**

A conflict of interest exists when the financial, familial, or personal interests of a Board member, officer, or employee of EFC comes into actual or perceived conflict with the individual's duties and responsibilities to EFC. Perceived conflicts of interest are situations where there is the appearance that a Board member, officer, or employee may personally benefit from actions or decisions made in their official capacity, or where a Board member, officer, or employee may be influenced to act in a manner that does not represent the best interests of EFC. The perception of a conflict occurs if circumstances would suggest to a reasonable person that an individual may have a conflict. The appearance of a conflict and an actual conflict are to be treated in the same manner for purposes of this Code.

1. Board members, officers, and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all circumstances that might involve a conflict of interest, a conflict of interest arises whenever a Board member, officer, or employee has or will have:
  - a. A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which EFC participates;
  - b. The ability to use the position, confidential information or the assets of EFC to the individual's personal advantage;
  - c. Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence the individual, or could reasonably be expected to influence the individual, in

the performance of official duties or was intended as a reward for any action on the individual's part; or

- d. Any other circumstance that may or appears to make it difficult for the Board member, officer, or employee to exercise independent judgment and properly exercise the individual's official duties.
2. Board members, officers, and employees shall not participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when they know or have reason to know that the action could confer a direct or indirect financial or material benefit on themselves, a relative, or any organization in which they are deemed to have an interest. Board members, officers, and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other Board members, officers, or employees in the deliberation and voting on the matter.
    - a. All material facts related to a conflict of interest, or any potential or perceived conflict of interest (including information about the conflicting transaction and the nature of the interest) shall be disclosed in good faith to the Governance Committee and/or EFC's Ethics Officer either in writing, or by the Board member at a Board or Committee Meeting prior to discussion of the conflicting transaction. The minutes of EFC's meeting during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.
    - b. The Governance Committee and/or the Ethics Officer who receives a written disclosure of a conflict of interest will advise the individual who may have a conflict of interest how to proceed. Prior to offering such advice, the Governance Committee and/or Ethics Officer may consult with other New York State agencies, such as the Authorities Budget Office, State Inspector General, or the Joint Commission on Public Ethics.

## **E. Executive Orders**

The provisions of the following Executive Orders shall apply as set forth therein to EFC Board members, officers, and employees:

1. Governor Hochul's Executive Order No. 6, dated October 8, 2021 (continuing Governor Paterson's Executive Order No. 7, dated June 18, 2008) prohibiting: (1) the use of State property for non-governmental purposes, including for personal purposes or for outside activities of any kind, and (2) campaign contributions to the Governor.

2. Governor Hochul's Executive Order No. 6, dated October 8, 2021 (continuing Governor Cuomo's Executive Order No. 3, dated January 2, 2011), with regard to required biennial ethics training for the President, General Counsel, and Ethics Officer.

## **F. Implementation**

This Code shall be provided to all Board members, officers, and employees upon commencement of employment or appointment and shall be reviewed annually by EFC's Governance Committee.

EFC's Ethics Officer shall be responsible for EFC's compliance with this Code.

## **G. Violations**

Board members, officers, and employees should promptly report any violations of this Code to the Ethics Officer, Deputy Director of Corporate Operations, or Human Resources Manager in accordance with EFC's Whistleblower Protection Policy.

In addition to any penalties imposed by an ethics regulatory entity, Board members, officers, or employees who fail to comply with this Code may be fined, suspended, or removed from office or employment in the manner provided by law.

## **H. Legal Effect**

This policy is not intended to set forth a fixed, general principle to be rigidly applied. Rather, its tenets are to be utilized solely as guidance and should be applied only after considering the specific facts and circumstances of each particular instance where an ethical question arises. This Code may be amended by majority vote of the Board members present at any meeting at which a quorum is in attendance. In addition, with respect to officers and employees of EFC, the provisions of this Code shall be in addition to any existing policies, guidelines or rules of EFC.

Reviewed and re-adopted on May 23, 2024.

BY: \_\_\_\_\_/s/\_\_\_\_\_  
Kate Siobhan Howard  
Secretary to the Corporation

## **Listing of Material Changes in Operations and Programs**

Nothing to report for SFY 2023-24.

## **Description of Assets and Services Purchased Without Competitive Bidding**

Nothing to report for SFY 2023-24.



**Statement of Material Pending Litigation  
Pursuant to Public Authorities Law Section 2800.1(a)(17)**

Nothing to report for SFY 2023-24.

## **Report on Real and Personal Property Transactions**

Nothing to report for SFY 2023-24.

**BUDGET & FINANCIAL PLAN**  
**BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS**

	<b>Last Year (Actual) 2023</b>	<b>Current Year (Estimated) 2024</b>	<b>Next Year (Adopted) 2025</b>	<b>Proposed 2026</b>	<b>Proposed 2027</b>	<b>Proposed 2028</b>
<b><u>REVENUE &amp; FINANCIAL SOURCES</u></b>						
<b>Operating Revenues</b>						
Charges for services	\$12,235.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rental & financing income	18,328,476.00	17,418,000.00	16,153,000.00	15,912,000.00	15,683,000.00	15,431,000.00
Other operating revenues	246,869,272.00	245,755,000.00	234,752,000.00	240,215,000.00	250,757,000.00	250,407,000.00
<b>Nonoperating Revenues</b>						
Investment earnings	37,270,220.00	145,531,400.00	113,436,523.00	97,103,449.00	93,695,449.00	89,550,449.00
State subsidies/grants	165,420,756.00	247,027,000.00	215,680,000.00	210,680,000.00	200,680,000.00	200,680,000.00
Federal subsidies/grants	6,354,373.00	4,009,000.00	4,494,000.00	5,468,000.00	4,941,000.00	5,413,000.00
Municipal subsidies/grants	0	0	0	0	0	0
Public authority subsidies	0	0	0	0	0	0
Other nonoperating revenues	9,925.00	195,000.00	400,669.00	427,140.00	454,405.00	482,489.00
<b>Proceeds from the issuance of debt</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Revenues &amp; Financing Sources</b>	<b>\$474,265,257.00</b>	<b>\$659,935,400.00</b>	<b>\$584,916,192.00</b>	<b>\$569,805,589.00</b>	<b>\$566,210,854.00</b>	<b>\$561,963,938.00</b>
<b><u>EXPENDITURES</u></b>						
<b>Operating Expenditures</b>						
Salaries and wages	9,527,997.00	10,555,000.00	11,394,000.00	12,037,000.00	12,622,000.00	13,193,000.00
Other employee benefits	3,114,433.00	5,895,000.00	6,261,500.00	6,587,400.00	6,908,000.00	7,227,900.00
Professional services contracts	1,043,767.00	821,500.00	1,052,700.00	1,101,300.00	1,126,300.00	1,160,600.00
Supplies and materials	0	0	0	0	0	0
Other operating expenditures	866,455.00	3,922,300.00	3,193,400.00	3,212,800.00	2,035,896.00	2,253,100.00
<b>Nonoperating Expenditures</b>						
Payment of principal on bonds and financing arrangements	0	0	0	0	0	0
Interest and other financing charges	231,071,328.00	235,745,000.00	226,744,000.00	232,910,000.00	244,538,000.00	248,435,000.00
Subsidies to other public authorities	0	0	0	0	0	0
Capital asset outlay	0	0	0	0	0	0
Grants and donations	234,016,628.00	290,111,000.00	465,445,000.00	492,425,000.00	496,479,000.00	503,462,000.00
Other nonoperating expenditures	55,970,325.00	51,505,000.00	51,646,000.00	52,649,000.00	54,599,000.00	55,261,000.00
<b>Total Expenditures</b>	<b>\$535,610,933.00</b>	<b>\$598,554,800.00</b>	<b>\$765,736,600.00</b>	<b>\$800,922,500.00</b>	<b>\$818,308,196.00</b>	<b>\$830,992,600.00</b>
<b>Capital Contributions</b>	<b>\$425,998,071.00</b>	<b>\$742,329,000.00</b>	<b>\$425,823,000.00</b>	<b>\$588,043,000.00</b>	<b>\$622,488,000.00</b>	<b>\$622,488,000.00</b>
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>\$364,652,395.00</b>	<b>\$803,709,600.00</b>	<b>\$245,002,592.00</b>	<b>\$356,926,089.00</b>	<b>\$370,390,658.00</b>	<b>\$353,459,338.00</b>

NYS Environmental Facilities Corporation  
**Fiscal Year 2023-24 Actual vs Budgeted**  
 Summary  
*(dollars)*

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<u>Revenues</u>			
Bond financing fees	2,389,302	2,385,000	4,302
Administrative fees	18,081,230	18,533,000	(451,770)
Less DEC support	(2,500,000)	(3,500,000)	1,000,000
Administrative grant revenues	7,330,898	4,859,000	2,471,898
Less transferred to DEC	(851,005)	(850,000)	(1,005)
Interest income on investments	149,172,246	145,531,400	3,640,846
Unrealized gain (loss) on investments	(9,821,377)	-	(9,821,377)
Interest income on bonds	229,031,643	236,665,000	(7,633,357)
Interest income on direct financings	10,269,708	9,090,000	1,179,708
State assistance payments revenue	246,738,762	247,027,000	(288,238)
Other revenues	8,574	195,000	(186,426)
Total revenues	<u>649,849,981</u>	<u>659,935,400</u>	<u>(10,085,419)</u>
<u>Expenses</u>			
Interest subsidy provided	41,881,458	51,505,000	(9,623,542)
Interest expense on bonds payable	233,046,795	235,745,000	(2,698,205)
State assistance payments expense	246,738,762	247,027,000	(288,238)
Grants disbursed/Principal forgiveness	33,203,017	43,084,000	(9,880,983)
Personal service costs	10,606,274	10,555,000	51,274
Fringe benefits	4,735,142	4,323,000	412,142
Other postemployment benefits	(583,711)	1,572,000	(2,155,711)
Supplies and materials	16,041	17,400	(1,359)
Travel	29,381	20,300	9,081
Equipment purchases and maintenance	537,180	523,400	13,780
Rent	37,383	-	37,383
Consultants	256,347	223,300	33,047
Postage	6,270	1,000	5,270
Printing	2,449	5,600	(3,151)
Board expenses	1,374	1,300	74
Training and conferences	39,231	21,900	17,331
Telephone	114,062	119,800	(5,738)
Miscellaneous	178,996	369,100	(190,104)
Insurance	26,895	24,300	2,595
Books and journals	40,749	37,300	3,449
Trustee	204,950	223,200	(18,250)
Reimbursable contractual	10,874	5,900	4,974
SRF admin expense fee account	1,673,132	2,550,000	(876,868)
NYS cost recovery fee	-	600,000	(600,000)
Total expenses	<u>572,803,051</u>	<u>598,554,800</u>	<u>(25,751,749)</u>
Increase	77,046,930	61,380,600	15,666,330
Project grant revenues	674,738,326	742,329,000	(67,590,674)
Increase (decrease) in net position	<u>751,785,256</u>	<u>803,709,600</u>	<u>(51,924,344)</u>

**SFY 23/24 State Revolving Fund Financings**

**Clean Water Long-Term Direct**

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Albany MWFA	5,616,817	1,284,999	6,901,816
City of Amsterdam	2,663,305	198,663	2,861,968
City of Kingston	1,858,628	91,505	1,950,133
City of Oswego	7,436,058	698,125	8,134,183
City of Rensselaer	2,465,784	-	2,465,784
City of Schenectady	20,000,000	-	20,000,000
City of Tonawanda	3,096,675	1,437,258	4,533,933
City of Troy	1,800,652	720,068	2,520,720
City of Utica	274,031	19,358	293,389
NYCMWFA	192,437,000	-	192,437,000
NYCMWFA	42,651,100	-	42,651,100
Sleepy Hollow Lake	6,894,792	-	6,894,792
Town of Bethel	2,474,520	125,991	2,600,511
Town of Haverstraw	95,000	-	95,000
Town of North Elba	35,000	-	35,000
Town of Woodhull	1,166,941	-	1,166,941
Village of Akron	4,120,740	395,112	4,515,852
Village of Alden	4,961,891	780,987	5,742,878
Village of Carthage	15,000	-	15,000
Village of Cooperstown	3,740,757	440,295	4,181,052
Village of Corinth	12,421,416	1,294,613	13,716,029
Village of Coxsackie	5,240,075	-	5,240,075
Village of Fonda	741,564	59,821	801,385
Village of Fredonia	4,878,833	-	4,878,833
Village of Homer	508,916	-	508,916
Village of Ilion	6,867,321	550,264	7,417,585
Village of Lake George	8,471,971	-	8,471,971
Village of Lake Placid	8,100,000	144,375	8,244,375
Village of Medina	4,344,904	161,509	4,506,413
Village of Middleport	155,714	25,998	181,712
Village of Naples	4,812,577	-	4,812,577
Village of Oakfield	1,317,822	11,274	1,329,096
Village of Odessa	4,071,125	-	4,071,125
Village of Warsaw	4,095,285	377,791	4,473,076
Village of West Carthage	30,000	-	30,000
	<b>369,862,214</b>	<b>8,818,007</b>	<b>378,680,221</b>

## Clean Water Long-Term Leveraged

	Financing	Grant	Total
Albany MWFA	790,000	-	790,000
Buffalo Municipal Water Finance Authority	1,580,000	-	1,580,000
Buffalo Sewer Authority	12,381,564	-	12,381,564
City of Binghamton	2,010,000	-	2,010,000
City of Cohoes	750,000	-	750,000
City of Gloversville	575,000	-	575,000
City of Middletown	12,180,000	-	12,180,000
City of Olean	2,065,000	-	2,065,000
City of Oswego	1,050,000	-	1,050,000
City of Oswego	6,886,980	244,176	7,131,156
City of Plattsburgh	890,000	-	890,000
City of Poughkeepsie	1,075,000	-	1,075,000
City of Schenectady	7,853,417	2,503,105	10,356,522
City of Sherrill	490,000	-	490,000
City of White Plains	5,730,000	-	5,730,000
Dutchess County WWA	3,230,346	478,765	3,709,111
Erie County	7,790,000	-	7,790,000
Livingston County Water and Sewer Authority	935,000	-	935,000
Nassau County	4,829,377	-	4,829,377
Nassau County	95,875,995	-	95,875,995
Niagara Falls Public Water Authority	13,465,000	-	13,465,000
NYCMWFA	255,556,088	-	255,556,088
Onondaga County	8,703,359	-	8,703,359
Ontario County	2,685,757	774,481	3,460,238
Rockland County	9,970,701	-	9,970,701
Rockland County SWMA	5,425,000	-	5,425,000
Town of Babylon	9,280,000	-	9,280,000
Town of Ballston	9,520,452	596,134	10,116,586
Town of Brookhaven	2,675,000	-	2,675,000
Town of Chenango	1,365,000	-	1,365,000
Town of Cornwall	6,066,007	833,542	6,899,549
Town of Crawford	320,000	-	320,000
Town of Dickinson	90,000	-	90,000
Town of Fishkill	8,350,000	-	8,350,000
Town of Lloyd	6,005,000	-	6,005,000
Town of Lysander	325,000	-	325,000
Town of New Baltimore	100,000	-	100,000
Town of North Hempstead	39,040,000	-	39,040,000
Town of North Salem	3,955,000	-	3,955,000
Town of Ontario	585,000	-	585,000

Town of Ontario	4,985,423	625,000	5,610,423
Town of Orangetown	1,470,000	-	1,470,000
Town of Owasco	1,760,000	-	1,760,000
Town of Oyster Bay	2,345,000	-	2,345,000
Town of Salina	1,115,000	-	1,115,000
Town of Southeast	2,750,000	-	2,750,000
Town of Tonawanda	21,820,000	-	21,820,000
Town of Warsaw	630,000	-	630,000
Town of Waterford	295,000	-	295,000
Town of Watertown	490,000	-	490,000
Town of Yorktown	1,895,000	-	1,895,000
Village of Altamont	2,540,000	-	2,540,000
Village of Depew	1,335,860	208,752	1,544,612
Village of Highland Falls	295,000	-	295,000
Village of Johnson City	835,000	-	835,000
Village of Kiryas Joel	920,000	-	920,000
Village of Lake George	1,125,000	-	1,125,000
Village of Lake Placid	250,000	-	250,000
Village of Lawrence	485,000	-	485,000
Village of Lima	785,000	-	785,000
Village of Patchogue	2,895,000	-	2,895,000
Village of Roslyn Estates	190,000	-	190,000
Village of Scotia	1,938,461	-	1,938,461
Village of Voorheesville	505,000	-	505,000
Westchester County	98,540,000	-	98,540,000
	<b>704,644,787</b>	<b>6,263,955</b>	<b>710,908,742</b>

#### Clean Water Short-Term Direct

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Albany MWFA	2,127,250	6,381,750	8,509,000
City of Long Beach	148,926,731	-	148,926,731
City of Peekskill	-	750,000	750,000
City of Rome	12,700,000	2,855,899	15,555,899
City of Utica	3,655,155	919,845	4,575,000
City of Watervliet	3,375,000	2,625,000	6,000,000
Nassau County	66,597,529	12,500,000	79,097,529
Town of Cherry Creek	1,573,000	-	1,573,000
Town of Hume	3,448,000	816,000	4,264,000
Town of Lyons	804,655	2,413,965	3,218,620
Town of Newfield	929,516	183,969	1,113,485
Town of Seneca Falls	5,130,000	1,710,000	6,840,000

Village of Avon	1,600,000	200,000	1,800,000
Village of Bath	25,000,000	19,052,125	44,052,125
Village of Carthage	231,750	561,250	793,000
Village of Depew	1,080,000	135,000	1,215,000
Village of Endicott	-	75,295	75,295
Village of Florida	-	54,540	54,540
Village of LeRoy	7,250,000	1,125,000	8,375,000
Village of Lyndonville	576,437	-	576,437
Village of Menands	5,218,675	1,707,325	6,926,000
Village of Mount Kisco	-	2,375,000	2,375,000
Village of Newark	511,000	511,000	1,022,000
Village of Rhinebeck	5,500,000	-	5,500,000
Village of Sidney	565,312	1,695,938	2,261,250
Village of South Dayton	750,000	-	750,000
Village of Tupper Lake	8,336,183	37,245	8,373,428
Village of Wayland	3,250,000	750,000	4,000,000
Wayne County Water and Sewer Authority	75,500,000	30,000,000	105,500,000
	<b>384,636,193</b>	<b>89,436,146</b>	<b>474,072,339</b>

#### Drinking Water Long-Term Direct

	Financing	Grant	Total
Dutchess County WWA	3,910,792	-	3,910,792
NYCMWFA	40,657,000	-	40,657,000
Town of Hume	1,740,146	57,271	1,797,417
Town of Pamela	13,910,000	-	13,910,000
Village of Mayville	3,122,214	109,647	3,231,861
Village of Sherman	857,434	346,852	1,204,286
	<b>64,197,586</b>	<b>513,770</b>	<b>64,711,356</b>

#### Drinking Water Long-Term Leveraged

	Financing	Grant	Total
City of Kingston	1,780,000	-	1,780,000
City of Poughkeepsie	1,048,860	639,345	1,688,205
Monroe County Water Authority	13,215,000	-	13,215,000
NYCMWFA	81,582,109	-	81,582,109
Town of Greenville	2,141,224	247,002	2,388,226
Town of LeRay	2,192,442	-	2,192,442
Town of Pamela	1,928,336	-	1,928,336
Town of Poughkeepsie	881,970	512,728	1,394,698
Town of Schodack	230,000	-	230,000



Village of Briarcliff Manor	5,030,000	-	5,030,000
Village of Candor	1,693,762	-	1,693,762
Village of Kiryas Joel	435,000	-	435,000
Village of Lake Placid	6,189,213	361,577	6,550,790
Village of Lowville	2,815,934	1,353,070	4,169,004
Village of Mayfield	1,484,842	203,850	1,688,692
Village of Pulaski	2,399,652	553,194	2,952,846
Village of South Glens Falls	1,485,743	-	1,485,743
	<b>126,534,087</b>	<b>3,870,766</b>	<b>130,404,853</b>

### Drinking Water Short-Term Direct

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Albertson Water District	-	3,000,000	3,000,000
Averill Park Central School District	-	90,000	90,000
Bethpage Water District	-	3,000,000	3,000,000
Carle Place Water District	-	5,000,000	5,000,000
City of Auburn	-	3,720,000	3,720,000
City of Kingston	16,420,000	3,000,000	19,420,000
City of Rochester	-	3,000,000	3,000,000
City of Troy	35,657,000	3,000,000	38,657,000
Dev. Auth. of the North Country	12,485,771	-	12,485,771
Garden City Park Water District	-	4,363,200	4,363,200
Genesee County	-	1,213,600	1,213,600
Greenlawn Water District	-	3,230,400	3,230,400
Greenlawn Water District	-	3,000,000	3,000,000
Hampton Bays Water District	-	2,724,000	2,724,000
Hicksville Water District	-	14,578,800	14,578,800
Hicksville Water District	-	5,000,000	5,000,000
Jericho Water District	-	12,115,200	12,115,200
Madison County	-	1,608,000	1,608,000
Manhasset Lakeville Water District	-	2,058,600	2,058,600
Niagara County Water District	-	1,245,750	1,245,750
NYCMWFA	118,869,250	-	118,869,250
NYCMWFA	183,464,284	-	183,464,284
Plainview Water District	-	13,840,200	13,840,200
Plainview Water District	-	6,428,346	6,428,346
Saratoga County Water Authority	10,000,000	-	10,000,000
South Farmingdale Water District	-	3,000,000	3,000,000
South Huntington Water District	-	3,435,075	3,435,075
South Huntington Water District	-	5,459,102	5,459,102
Suffolk County Water Authority	-	16,200,000	16,200,000

Suffolk County Water Authority	-	2,701,692	2,701,692
Town of Minerva	1,509,625	-	1,509,625
Town of Schodack	-	709,200	709,200
Town of Stafford	-	1,065,000	1,065,000
Town of Willsboro	7,486,573	5,000,000	12,486,573
Village of Cuba	4,299,900	3,000,000	7,299,900
Village of Franklinville	1,191,800	2,850,000	4,041,800
Village of Little Valley	2,940,000	3,010,000	5,950,000
Village of Lowville	3,775,000	3,000,000	6,775,000
Village of Menands	2,094,120	2,954,880	5,049,000
Village of Portville	1,622,559	3,785,971	5,408,530
Village of Red Hook	720,000	1,080,000	1,800,000
Village of Sands Point	-	3,000,000	3,000,000
Village of Wurtsboro	-	1,047,600	1,047,600
Water Authority of Great Neck North	-	3,000,000	3,000,000
	<b>402,535,882</b>	<b>159,514,616</b>	<b>562,050,498</b>

**NYS Environmental Facilities Corporation**  
**Bond Ratings**  
**Period Ending 3/31/24**

SRF	<u>Description</u>	<u>Series</u>	<u>Date Issued</u>	<u>Amount</u>	<u>Fitch</u>	<u>Ratings</u>	
						<u>Moody's</u>	<u>Standard &amp; Poor's</u>
	2010 MFI Issue	2023 A	5/18/23	150,960,000	AAA	Aaa	AAA
	NYCMWFA Issue	2023 B	6/29/23	301,680,000	AAA	Aaa	AAA
	2010 MFI Issue	2023 C	12/5/23	86,385,000	AAA	Aaa	AAA



# Environmental Facilities Corporation

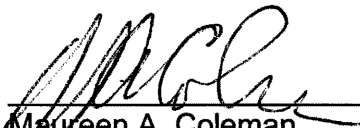
KATHY HOCHUL  
Governor


MAUREEN A. COLEMAN  
President and CEO

CERTIFICATION PURSUANT TO § 2800 (3)  
OF THE PUBLIC AUTHORITIES LAW

In accordance with § 2800 of the Public Authorities Law, we confirm, to the best of our knowledge and belief that the Financial Statements of the New York State Environmental Facilities Corporation for the period ended March 31, 2024 have been prepared in conformity with accounting principles generally accepted in the United States of America and that:

- a) the information provided therein is accurate, correct and does not contain any untrue statement of material fact;
- b) such financial statements do not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made;
- c) such financial statements fairly present in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

  
Maureen A. Coleman  
President and CEO

  
Albert Schnide, CPA  
Controller



**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)

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

Basic Financial Statements

March 31, 2024

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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

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

Management's Discussion and Analysis (unaudited)

March 31, 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

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ENVIRONMENTAL FACILITIES CORPORATION**  
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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.

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**SRF Program Activity**

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

<b>2024</b>				
<b>Series</b>	<b>Closed</b>	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
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
		<u>\$ 434,645,000</u>	<u>104,380,000</u>	<u>539,025,000</u>
<b>2023</b>				
<b>Series</b>	<b>Closed</b>	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
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
		<u>\$ 566,750,000</u>	<u>173,030,000</u>	<u>739,780,000</u>

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:

<b>2024</b>			
	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
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
	<u>\$ 1,445,942,150</u>	<u>308,074,305</u>	<u>1,754,016,455</u>

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	<b>2023</b>		
	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
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
	<u>\$ 2,596,086,006</u>	<u>485,880,424</u>	<u>3,081,966,430</u>

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

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

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

**Summary Schedule of Net Position**

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

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

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

Management's Discussion and Analysis (unaudited)

March 31, 2024

	March 31	
	2024	2023
<b>Liabilities, Deferred Inflows of Resources, and Net Position</b>		
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

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March 31, 2024

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.

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ENVIRONMENTAL FACILITIES CORPORATION**  
(A Component Unit of the State of New York)  
Management's Discussion and Analysis (unaudited)  
March 31, 2024

**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](http://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		<u>249,399</u>

Total current assets		<u>1,256,938,656</u>
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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		<u>6,159,665,280</u>

Total noncurrent assets		<u>12,945,760,212</u>
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Total assets		14,202,698,868
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Deferred outflows of resources related to pensions and OPEB

		<u>9,566,368</u>
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Total assets and deferred outflows of resources	\$	<u>14,212,265,236</u>
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**NEW YORK STATE  
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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**  
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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	<u>(12,718,000)</u>
Net cash used in operating activities	<u>(13,254,303)</u>
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	<u>98,898,708</u>
Net cash provided by noncapital financing activities	<u>236,807,553</u>
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	<u>(2,673,328)</u>
Net cash used in investing activities	<u>(469,456,761)</u>
Net decrease in cash and cash equivalents	(245,903,511)
Cash and cash equivalents, beginning of year	<u>634,420,637</u>
Cash and cash equivalents, end of year	<u>\$ 388,517,126</u>

**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	<u>(3,464,993)</u>
Net cash used in operating activities	<u>\$ (13,254,303)</u>

See accompanying notes to basic financial statements.

**NEW YORK STATE  
ENVIRONMENTAL FACILITIES CORPORATION**  
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Notes to Basic Financial Statements

March 31, 2024

**(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

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ENVIRONMENTAL FACILITIES CORPORATION**  
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Notes to Basic Financial Statements

March 31, 2024

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.

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**(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.



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Notes to Basic Financial Statements

March 31, 2024

**(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.

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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.

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Notes to Basic Financial Statements

March 31, 2024

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 type	Credit risk range	Cost/ fair value	Investment maturities in years			
			Less than 1 year	1 – 5 years	6 – 10 years	More than 10 years
Non-U.S. government backed:						
Guaranteed investment contracts	A – AAA	\$ 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
		<u>\$ 2,703,015,832</u>	<u>1,629,489,359</u>	<u>266,003,612</u>	<u>253,663,150</u>	<u>553,859,711</u>

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Notes to Basic Financial Statements

March 31, 2024

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:

<u>Investment type</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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	<u>\$ 839,416,573</u>	<u>219,180,077</u>	<u>620,236,496</u>	<u>—</u>

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)

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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:

	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
Year ended March 31:			
2024	\$ 654,178,046	386,944,236	1,041,122,282

Short-term financings receivable mature as follows:

	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
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.

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Direct financings receivable mature as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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
	<u>\$ 2,782,590,834</u>	<u>809,215,678</u>	<u>3,591,806,512</u>

**(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.

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

<u>Bond issue</u>	<u>Range of interest rates</u>	<u>Year of maturity</u>	<u>March 31, 2024</u>
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
			<u>\$ 5,264,293,230</u>

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

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:

<u>Bond issue</u>	<u>Range of interest rates</u>	<u>Year of maturity</u>	<u>March 31, 2024</u>
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



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<u>Bond issue</u>	<u>Range of interest rates</u>	<u>Year of maturity</u>	<u>March 31, 2024</u>
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	<u>23,496,978</u>
			<u>\$ 1,289,271,147</u>
Beginning balance			\$ 1,267,650,637
Bonds issued			117,566,978
Bonds retired			<u>(95,946,468)</u>
Ending balance			<u>\$ 1,289,271,147</u>

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.

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Principal payments on bonds receivable mature as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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
	<u>\$ 5,264,293,230</u>	<u>1,289,271,147</u>	<u>6,553,564,377</u>

Interest payments on bonds receivable are as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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
	<u>\$ 2,354,521,938</u>	<u>715,009,724</u>	<u>3,069,531,662</u>

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Principal payments on bonds payable mature as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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
	<u>\$ 4,117,230,000</u>	<u>1,170,660,000</u>	<u>5,287,890,000</u>

Interest payments on bonds payable are as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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
	<u>\$ 1,924,314,777</u>	<u>689,697,087</u>	<u>2,614,011,864</u>

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

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

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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	<u>(125,060,777)</u>	<u>(37,893,987)</u>	<u>(162,954,764)</u>
Bonds payable, March 31, 2024	<u>\$ 4,117,230,000</u>	<u>1,170,660,000</u>	<u>5,287,890,000</u>

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.

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

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

**(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

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fund. The System's financial report may be found at [www.osc.state.ny.us/retire/publications/index.php](http://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,

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2024, EFC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred outflows of resources</b>	<b>Deferred inflows of resources</b>
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:

	<b>Amount</b>
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.

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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:

<b>Asset class</b>	<b>Target allocation</b>	<b>Long-term expected real rate of return</b>
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	—
	<u>100 %</u>	

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)



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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

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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 its 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.

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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	<u>(926,204)</u>
Net change in total OPEB liability	(3,464,993)
Total OPEB liability – beginning of year	<u>38,645,985</u>
Total OPEB liability – ending of year	<u><u>\$ 35,180,992</u></u>

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:

	<u>1% Decrease</u>	<u>Current assumption</u>	<u>1% Increase</u>
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:

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

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**(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	<u>1,082,259</u>
Total deferred outflows of resources	<u>\$ 4,864,025</u>
Deferred inflows of resources:	
Differences between expected and actual experience	\$ 13,506,999
Changes of assumptions	<u>5,500,745</u>
Total deferred inflows of resources	<u>\$ 19,007,744</u>

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	<u>(1,130,545)</u>
Total	<u>\$ (15,225,978)</u>

**(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.

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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.

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

March 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
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.

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

March 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
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	<u>1,130,005</u>	<u>902,247</u>	<u>1,311,796</u>	<u>1,154,850</u>	<u>1,250,737</u>	<u>1,308,955</u>	<u>1,282,460</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
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.

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

March 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
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	<u>(926,204)</u>	<u>(1,065,060)</u>	<u>(878,044)</u>	<u>(960,169)</u>	<u>(763,330)</u>
Net change in total OPEB liability	(3,464,993)	(11,100,134)	709,996	(163,929)	3,262,061
Total OPEB liability – beginning	<u>38,645,985</u>	<u>49,746,119</u>	<u>49,036,123</u>	<u>49,200,052</u>	<u>45,937,991</u>
Total OPEB liability – ending	<u>\$ 35,180,992</u>	<u>38,645,985</u>	<u>49,746,119</u>	<u>49,036,123</u>	<u>49,200,052</u>
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.

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Other Supplementary Information – Combining Schedule of Net Position

March 31, 2024

<b>Assets and Deferred Outflows of Resources</b>	<b>Corporate activities</b>	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
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	<u>15,333,003</u>	<u>959,606,816</u>	<u>281,998,837</u>	<u>1,256,938,656</u>
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	<u>14,401,067</u>	<u>10,389,919,691</u>	<u>2,541,439,454</u>	<u>12,945,760,212</u>
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	<u>1,110,255</u>	<u>7,099,585</u>	<u>1,356,528</u>	<u>9,566,368</u>
Total assets and deferred outflow of resources	<u>\$ 30,844,325</u>	<u>11,356,626,092</u>	<u>2,824,794,819</u>	<u>14,212,265,236</u>

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March 31, 2024

<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>Corporate activities</b>	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
<b>Current liabilities:</b>				
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	<u>8,142,824</u>	<u>439,793,229</u>	<u>100,323,638</u>	<u>548,259,691</u>
<b>Noncurrent liabilities:</b>				
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	<u>4,614,261</u>	<u>4,013,862,226</u>	<u>1,160,488,791</u>	<u>5,178,965,278</u>
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	<u>2,933,716</u>	<u>13,391,811</u>	<u>3,138,064</u>	<u>19,463,591</u>
Total liabilities and deferred inflows of resources	<u>15,690,801</u>	<u>4,467,047,266</u>	<u>1,263,950,493</u>	<u>5,746,688,560</u>
<b>Net position:</b>				
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	<u>\$ 15,153,524</u>	<u>6,889,578,826</u>	<u>1,560,844,326</u>	<u>8,465,576,676</u>

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Year ended March 31, 2024

	<u>Corporate activities</u>	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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	<u>2,280,418</u>	<u>203,484,039</u>	<u>57,995,894</u>	<u>263,760,351</u>
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	<u>3,558,582</u>	<u>231,556,224</u>	<u>57,427,399</u>	<u>292,542,205</u>
Operating gain (loss)	<u>(1,278,164)</u>	<u>(28,072,185)</u>	<u>568,495</u>	<u>(28,781,854)</u>
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	<u>30,998,691</u>	<u>783,052,779</u>	<u>246,776,486</u>	<u>1,060,827,956</u>
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	<u>24,435,830</u>	<u>128,528,584</u>	<u>127,296,425</u>	<u>280,260,839</u>
Increase in net position	5,284,697	626,452,010	120,048,556	751,785,263
Beginning net position	<u>9,868,827</u>	<u>6,263,126,816</u>	<u>1,440,795,770</u>	<u>7,713,791,413</u>
Ending net position	<u>\$ 15,153,524</u>	<u>6,889,578,826</u>	<u>1,560,844,326</u>	<u>8,465,576,676</u>

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Year ended March 31, 2024

	<u>Corporate activities</u>	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
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	<u>(5,389,066)</u>	<u>(1,528,521)</u>	<u>(6,336,716)</u>	<u>(13,254,303)</u>
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	<u>—</u>	<u>165,675,138</u>	<u>71,132,415</u>	<u>236,807,553</u>
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	<u>(7,683,608)</u>	<u>(272,798,933)</u>	<u>(188,974,220)</u>	<u>(469,456,761)</u>
Net decrease in cash and cash equivalents	<u>(13,072,674)</u>	<u>(108,652,316)</u>	<u>(124,178,521)</u>	<u>(245,903,511)</u>
Cash and cash equivalents, beginning of year	<u>25,556,210</u>	<u>392,248,161</u>	<u>216,616,266</u>	<u>634,420,637</u>
Cash and cash equivalents, end of year	<u>\$ 12,483,536</u>	<u>283,595,845</u>	<u>92,437,745</u>	<u>388,517,126</u>

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Year ended March 31, 2024

	<b>Corporate activities</b>	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
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	<u>\$ (5,389,066)</u>	<u>(1,528,521)</u>	<u>(6,336,716)</u>	<u>(13,254,303)</u>

See accompanying independent auditors' report.



# Environmental Facilities Corporation

**KATHY HOCHUL**  
Governor

**MAUREEN A. COLEMAN**  
President and CEO

## Annual Debt Report Fiscal Year Ended March 31, 2024

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**Schedule of Debt for Fiscal Year Ended March 31, 2024  
State Revolving Fund**

Series	Date of Issuance	Original Par	Outstanding 3/31/23	Redeemed	Issued	Outstanding 3/31/24	Maturity	Interest Rates
2004C	4/7/2004	245,965,000	56,595,000	4,780,000		51,815,000	6/15/2033	3.10%-5.25%
2010B	2/11/2010	196,460,000	162,070,000	6,195,000		155,875,000	6/15/2039	4.005%-5.807%
2012B	6/21/2012	88,950,000	34,670,000	30,525,000		4,145,000	2/15/2026	2.00%-5.00%
2012C	6/21/2012	14,440,000	4,305,000	1,235,000		3,070,000	12/15/2029	0.504%-3.684%
2012E	11/15/2012	98,640,000	55,285,000	54,110,000		1,175,000	11/15/2024	1.00%-5.00%
2012F	11/15/2012	33,465,000	2,810,000	1,735,000		1,075,000	11/15/2024	0.25%-2.806%
2013A	7/11/2013	401,090,000	236,090,000	236,090,000		-	6/15/2033	3.00%-5.00%
2013B	8/1/2013	166,585,000	100,275,000	100,060,000		215,000	11/15/2024	2.00%-5.00%
2014A	3/27/2014	347,385,000	223,775,000	18,330,000		205,445,000	6/15/2034	2.00%-5.00%
2014B	7/2/2014	213,635,000	140,895,000	8,520,000		132,375,000	5/15/2044	1.00%-5.00%
2015A	7/2/2015	219,770,000	165,210,000	8,425,000		156,785,000	6/15/2045	2.00%-5.00%
2015B	8/20/2015	80,520,000	63,710,000	2,415,000		61,295,000	3/15/2045	2.00%-5.00%
2015C	8/20/2015	31,370,000	15,955,000	2,125,000		13,830,000	7/15/2030	.50%-3.82%
2015D	8/20/2015	367,455,000	212,115,000	21,435,000		190,680,000	3/15/2037	2.00%-5.00%
2016A	6/29/2016	500,955,000	417,120,000	16,815,000		400,305,000	6/15/2046	2.00%-5.00%
2016B	9/22/2016	104,415,000	87,865,000	2,845,000		85,020,000	8/15/2046	1.00%-5.00%
2016C	9/22/2016	29,260,000	18,865,000	1,700,000		17,165,000	7/15/2039	.75%-3.113%
2017A	4/13/2017	588,745,000	463,710,000	20,865,000		442,845,000	6/15/2046	2.00%-5.00%
2017B	4/13/2017	336,335,000	249,695,000	19,210,000		230,485,000	6/15/2036	1.271%-3.916%
2017C	11/9/2017	91,580,000	77,150,000	2,805,000		74,345,000	6/15/2047	2.00%-5.00%
2017D	11/9/2017	66,445,000	48,465,000	3,790,000		44,675,000	1/15/2047	1.50%-3.751%
2017E	12/14/2017	337,955,000	311,675,000	6,540,000		305,135,000	6/15/2047	3.00%-5.00%
2018A	8/2/2018	319,715,000	229,335,000	46,865,000		182,470,000	6/15/2037	3.00%-5.00%
2018B	11/29/2018	258,340,000	243,405,000	4,650,000		238,755,000	6/15/2048	3.00%-5.00%
2019A	6/13/2019	120,700,000	109,565,000	2,890,000		106,675,000	2/15/2049	3.00%-5.00%
2019B	10/8/2019	339,475,000	316,060,000	11,805,000		304,255,000	6/15/2049	3.00%-5.00%
2020A	4/8/2020	171,385,000	157,920,000	8,010,000		149,910,000	6/15/2049	4.00%-5.00%
2020B	12/17/2020	123,110,000	114,680,000	4,015,000		110,665,000	10/15/2050	3.00%-5.00%
2021A	6/30/2021	284,745,000	267,615,000	17,010,000		250,605,000	6/15/2041	3.00%-5.00%
2021B	12/9/2021	144,540,000	136,145,000	5,650,000		130,495,000	8/15/1951	4.00%-5.00%
2022A	4/21/2022	413,005,000	413,005,000	28,445,000		384,560,000	6/15/2051	4.00%-5.00%
2022B	12/6/2022	326,775,000	325,365,000	7,280,000		318,085,000	9/15/2052	5.00%-5.25%
2023A	5/18/2023	150,960,000	-	3,320,000	150,960,000	147,640,000	6/15/1953	5.00%
2023B	6/29/2023	301,680,000	-	-	301,680,000	301,680,000	9/15/1953	5.00%
2023C	12/5/2023	86,385,000	-	2,045,000	86,385,000	84,340,000	8/15/2047	5.00%
		7,602,235,000	5,461,400,000	712,535,000	539,025,000	5,287,890,000		

**Note**

The above bonds are special limited obligations, payable solely from amounts pledged as security. Pledged recipient payments are the primary source of payment on the above bonds.

**Schedule of Debt for Fiscal Year Ended March 31, 2024**  
**Private Activity Bonds**

Series	Borrower	Date of Issuance	Original Par	Outstanding 3/31/23	Redeemed	Issued	Outstanding 3/31/24	Maturity
2012	Waste Management	5/2012	25,000,000	25,000,000	-	-	25,000,000	5/1/2030
2014	Casella Waste	12/2014	25,000,000	25,000,000	-	-	25,000,000	12/1/2044
2014R-2	Casella Waste	6/2016	15,000,000	15,000,000	-	-	15,000,000	12/1/2044
2020R-1	Casella Waste	9/2020	40,000,000	40,000,000	-	-	40,000,000	9/1/2050
2020R-2	Casella Waste	8/24/2023	35,000,000	-	-	35,000,000	35,000,000	9/3/2030
			140,000,000	105,000,000	-	35,000,000	140,000,000	

**Note**

The above bonds are special obligation revenue bonds payable solely from funds provided by the underlying borrower.



**Detail of Costs of Issuance for Fiscal Year Ended March 31, 2024****Series 2023A (2010MFI) - Closed 05/18/2023**

Description	Actual
Bond Counsel	105,000.00
Financial Advisor	150,000.00
Printer	254.77
Trustee and Counsel	15,136.72
S&P	87,525.00
Moody's	106,000.00
Fitch	65,000.00
	528,916.49

**Series 2023B (NYCMWFA) - Closed 06/29/23**

Description	Actual
Bond Counsel	120,688.48
Financial Advisor	175,000.00
Trustee and Counsel	11,161.53
S&P	121,550.00
Moody's	28,983.78
Fitch	67,000.00
	524,383.79

**Series 2023C (2010MFI) - Closed 12/05/2023**

Description	Actual
Bond Counsel	125,000.00
Financial Advisor	132,500.00
Printer/Electronic POS Distribution	4,318.73
Trustee and Counsel	14,686.16
S&P	49,725.00
Moody's	63,000.00
Fitch	45,000.00
	434,229.89