



# Environmental Facilities Corporation

KATHY HOCHUL  
Governor

MAUREEN A. COLEMAN  
President and CEO

June 30, 2022

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

Ann Maloney  
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 2021-2022.

Sincerely,

Maureen A. Coleman  
President and CEO

Enclosure  
c: Commissioner Basil Seggos, Chair

**The New York State Environmental Facilities Corporation**  
**Public Authorities Law Compliance Report**  
**State Fiscal Year, April 1, 2021 – March 31, 2022**

*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 Grants Program, have provided over \$42.5 billion in low-cost financing and grants for approximately 3,437 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**

In the past state fiscal year, EFC provided over \$1.63 billion in low-cost financing and grants to its Recipients. The SRFs are capitalized with Federal dollars and matching funds from the State. EFC uses this capital along with proceeds from its 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.

#### *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's** provided to qualified Recipients at or below market rates. Leveraged Financing Recipients 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 has utilized bond markets to keep the SRFs sustainable and allow funding of additional water infrastructure projects. Since 2011, EFC has issued over \$7.4 billion of tax-exempt and taxable bonds. In state fiscal year 2021-22, EFC closed two bond financings totaling \$430 million:

- \$285 million in Clean Water and Drinking Water Series 2021 A SRF bonds on behalf of the New York City Municipal Water Finance Authority: Proceeds from these bonds refunded \$350 million of Series 2011 B Clean Water bonds and Drinking Water bonds. The True Interest Cost (TIC) was 1.33%.
- \$145 million in Clean Water and Drinking Water SRF Series 2021 B, 2010 Master Financing Indenture pooled SRF bonds: Proceeds from these bonds refunded \$45.3 million in Clean Water and \$45.1 million in Drinking Water 2011 C bonds. The transaction also provided \$53 million and \$33 million in bond proceeds to fund new Clean Water and Drinking Water projects, respectively. The TIC was 2.14%.

#### **Water Infrastructure Improvement Act (WIIA) & Intermunicipal Water Infrastructure Grants (IMG) Programs**

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 \$2.0 million in subsequent appropriations is dedicated to clean water infrastructure.

During the 2021-22 state fiscal year, EFC disbursed approximately \$157 million in WIIA and IMG grant funds to 212 communities for clean and drinking water projects to protect or improve water quality and/or protect public health.

EFC provides WIIA grants to municipalities to assist them in funding water quality infrastructure projects. WIIA grants are available for both drinking and sewage treatment works projects.

Under the IMG Program, EFC provides grants to assist municipalities in support of intermunicipal water quality infrastructure projects. IMG grants are available for both drinking water and sewage treatment works (clean water) projects that serve multiple municipalities, for example, a shared water quality infrastructure project or the interconnection of multiple municipal water quality infrastructure projects.

## **Septic System Replacement Program**

Also established as part of the Clean Water Infrastructure Act of 2017, the Septic System Replacement 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) have determined 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.

During the fiscal year, EFC disbursed more than \$3.6 million to 26 participating counties for septic system projects.

## **Emergency Financial Assistance**

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 almost \$4.9 million to six communities for emergency drinking water projects, with \$4 million having been repaid by the communities, mostly with SRF funds. As of March 31, 2022, one

emergency loan remained outstanding, totaling \$900,000, leaving \$9.1 million available for emergency funding.

Funds repaid to EFC will be used to fund future emergency financial assistance as determined appropriate by DEC or DOH.

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

During the 2021-22 state fiscal year, EFC awarded \$37 million for green infrastructure projects that improve water quality, including water-efficiency, energy-efficiency, and green stormwater infrastructure projects. These projects will combat climate change, restore natural features, while improving livability in the communities where they occur. To date, over \$140 million has been disbursed to more than 190 projects throughout the State.

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

During the 2021-22 state fiscal year, EFC awarded \$5.5 million in EPG grants to 114 projects. Grant funds are used to pay for engineering and/or consultant fees for engineering and planning services to produce an engineering report. Since inception, EFC has funded engineering reports for over 500 projects to assist these communities and evaluate their municipal wastewater system needs. Individual grants are awarded for up to \$100,000 with municipalities providing a local 20% match.

## **East of Hudson Septic System Rehabilitation Reimbursement Program**

Property owners who have received a Notice of Violation on or after November 30, 2008, or believe their septic system is failing may be eligible to obtain up to 50% of eligible costs up to a maximum reimbursement of \$25,000. This program has been designed to help reduce the potential water quality impacts that may arise from failing septic systems in the Kensico, Boyd Corners, West Branch, Cross River, and Croton Falls watersheds. To date, the East of Hudson Program has provided property owners over \$553,000 in reimbursements.

## **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 \$12.5 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 to more than \$884 million to New York businesses for projects that manage waste, control pollution, 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, 2022, EFC had 88 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 the Chief Risk Officer, and SRF program management.
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 Budget and Accounting 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 and support services, information technology, communications, program compliance, as well as internal controls and Freedom of Information Law (FOIL) functions.
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, 2022, the Corporation Board was comprised of the following members:

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

**Basil Seggos** currently serves as Commissioner of the New York State Department of Environmental Conservation.

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.

**Mary T. Bassett, M.D., M.P.H.**, currently serves as Commissioner of Health for the New York State Department of Health. Dr. Bassett was appointed Acting Commissioner of Health on December 1, 2021, and confirmed as the Commissioner by the New York State Senate on January 20, 2022. She previously served as Director of the Francios-Xavier Bagnoud (FXB) Center for Health and Human Rights at Harvard University and FXB Professor of the Practice of Health and Human Rights in the department of Social and Behavioral Sciences at the Harvard T.H. Chan School of Public Health. Prior to that, she served as Commissioner of the New York City Department of Health and Mental Hygiene, Director for the Doris Duke Charitable Foundation's African Health Initiative and Child Well-Being Prevention Program; and as Deputy Commissioner of Health Promotion and Disease Prevention at the New York City Department of Health and Mental Hygiene. Early in her career, Dr. Bassett served on the medical faculty at the University of Zimbabwe and went on to serve as Associate Director of Health Equity at the Rockefeller Foundation's Southern Africa Office. After returning to the United States, she served on the faculty of Columbia University, including as Associate Professor of Clinical Epidemiology in the Mailman School of Public Health. Dr. Bassett received a B.A. in History and Science from Harvard University, an M.D. from Columbia University's College of Physicians and Surgeons, and an M.P.H. from the University of Washington.

**Robert J. Rodriguez** currently serves as 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, 2021 - March 31, 2022**

Board Members	APR 8	MAY 13	JUNE 3	JUNE 24	AUG 5	SEPT 2	SEPT 15 (Special Meeting)	OCT 14	NOV 4	DEC 9	JAN 13	FEB 10	FEB 14 <sup>1</sup> (Special Meeting)	MAR 10
<b>Ex Officio Members</b>														
DEC Commissioner - Basil Seggos	A	A	A	A	A	A	P	P	A	A	A	A	A	A
Designee – Jeffrey Stefanko	P	P	P	P	P*	P*	P Non-voting	P Non-voting	P	P	P	P	P	P
DOH Commissioner - Howard Zucker <sup>2</sup>	A	A	A	A	A	A	A	A	A					
DOH Commissioner - Mary T. Bassett <sup>3</sup>														
Designee – Roger C. Sokol	P	P	P	P	P*	P*	P	P	P	P	P	P	P	P
Secretary of State - Rossana Rosado	A	A	A	A	A	A	A	A	A					
Acting-Secretary of State- Brendan C. Hughes <sup>4</sup>										A				
Secretary of State - Robert J. Rodriguez <sup>5</sup>											A	A	A	A
Designee - James Leary	P	P	P	P	P*	P	P	A	P	P	P	P	P	P
<b>Independent Board Members</b>														
Francis T. Corcoran	P	P	P	P	P*	P	P	P	P	P	P	A	A	A
Charles Kruzansky	P	P	P	P	A	P*	P	P	P	P	A	A	P	P
Vita DeMarchi	P	P	P	P	P	P	P	P	A	P	P	P	P	P
Adam Zurofsky				P	P <sup>6</sup> Non-voting	P	P	P	P	P	P	P	P	P

Except for the August 5<sup>1</sup> and September 2 meetings, the above referenced meetings were held entirely via videoconference, in compliance with the Corporation's By-Laws and applicable law.

The August 5, 2021 and September 2, 2021 meetings allowed for both physical attendance and attendance via videoconference in compliance with the Corporation's By-Laws and applicable law.

\*Indicates a Board member attended a meeting in person at the Corporation's Conference room, located on the 7<sup>th</sup> floor of 625 Broadway, Albany, NY 12207.

**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.

<sup>1</sup> The meetings held on September 15, 2021 and February 14, 2022 were special meetings called by the chair, not regular meetings.

<sup>2</sup> Commissioner Zucker submitted his resignation letter September 23, 2021 but continued to serve until his replacement was found.

<sup>3</sup> Mary T. Bassett, M.D., M.P.H., was appointed Acting Commissioner of Health on December 1, 2021 and confirmed as the Commissioner by the New York State Senate on January 20, 2022

<sup>4</sup> Brendan C. Hughes was appointed Acting-Secretary of State November 29, 2021.

<sup>5</sup> Robert J. Rodriguez was appointed Acting-Secretary of State December 15, 2021 and confirmed as the Secretary of State by the New York State Senate on March 1, 2022.

<sup>6</sup> Mr. Zurofsky was present telephonically at the August 5, 2021 meeting, therefore he did not take any action and did not serve to establish a quorum.

**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 thirteenth day of  
June 2022, 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.	6		1		(F) While there is a shared view of the Corporation's mission, there are different views as to the broader scope of [the] overall mission.
2	The policies, practices and decisions of the Board are consistent with this mission.	6		1		
3	Board members comprehend their role and fiduciary responsibilities to the Corporation and hold themselves and each other to these principles.	6	1			
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.	6				(C) All members should attend the Annual Governance Meeting
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.	5	1			
6	The decisions made by Board members are arrived at through independent judgment and deliberation, free of influence, pressure or self-interest.	6	1			
7	Executive Staff is available to individual Board members to provide information and status on important issues affecting the Corporation.	6		1		(C) E.S. is always responsive to questions and follow-up info. requests by the Board of Directors (F) CEO and some senior staff have on occasion not been as forth coming as one would expect in terms of providing relevant information on a voluntary basis.
8	Board members are knowledgeable about the Corporation's programs, financial statements, reporting requirements, and other transactions.	5	2			(D) More dialogue at Board meetings would be desirable
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.	6		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.	6	1			
11	Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	5	1		1	(D) Very little deliberation or discussion
12	Board members have sufficient opportunity to discuss, question and prepare before decisions are made and votes taken.	6	1			
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.	6	1			(C) The B.O.D. understand and have exercised their authority, as appropriate
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.	6	1	1		(D) Very little oversight (F) See comment above re: information disclosure by CEO
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.	6	1			(C) Looking forward to the Enterprise Risk Management work being undertaken
16	Board members demonstrate leadership and vision and work respectfully with each other.	5	2			
<u>General Comment(s) received:</u>						

Date Completed: June 6, 2022

Each individual evaluation was randomly assigned a letter (A-G). The comments section specifies the evaluation that contained the comment by letter.

\*No comment or rating received from/contained in one evaluation.



## **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.

**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, 2022**

**Tracy A. Aery** is the Director of Human Resources in the Administration and Corporate Operations Division. Ms. Aery was appointed on April 30, 1998.

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

**Wileen Chick** is the Chief Risk Officer in the Executive Division. Ms. Chick was appointed on December 9, 2021.

**George N. Cholakis** is the Executive Deputy Counsel in the Executive Division. Mr. Cholakis was appointed on October 15, 2015.

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

**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.

**Philip K. Grommet** is an Associate Counsel in the Legal Division. Mr. Grommet was appointed on September 19, 2019.

**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.

**Robert J. Jackowski** is the Senior Corporate Finance Manager in the Finance and Accounting Division. Mr. Jackowski was appointed on January 29, 1998.

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

**Brian P. McEvoy** is the Director of Equity Finance in the Finance and Accounting 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.

**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.

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

**Michael R. Roizman** is the Systems Administrator in the Administration and Corporate Operations Division. Mr. Roizman was appointed on November 15, 1994.

**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.

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

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

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

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

**New York State Environmental Facilities Corporation****List of Employees in Decision Making or Managerial Positions with Salaries Greater than \$100,000 as of 3/31/22**

<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	\$194,158
Michael P. Hale	Executive Vice President	M-7	\$180,000
George N. Cholakis	Executive Deputy Counsel	M-6	\$173,431
Wileen Chick	Chief Risk Officer	M-6	\$165,000
Henrik N. Westin	General Counsel	M-6	\$165,000
Maureen L. McGrath	Director of Administration & Corp. Ops.	M-6	\$152,153
Derek D. Sellman	Deputy General Counsel	M-5	\$150,000
Brian P. McEvoy	Director of Equity Finance	M-5	\$148,615
William A. Brizzell	Director of Engineering	M-6	\$147,939
Brian D. McClintock	Director of Public Finance	M-4	\$133,908
Michael R. Roizman	System Administrator	M-3	\$128,142
Albert Schnide	Controller	M-5	\$124,534
Kaitlin J. Penner	Deputy Director of Engineering	M-4	\$124,152
Tracy A. Aery	Human Resources Director	M-4	\$124,152
Brian W. McGuire	Senior Manager, Procurement & Prog. Compliance	M-3	\$120,687
Michael P. Fisher	Senior Manager, Information Technology	M-3	\$120,000
Gregory E. Holden	Application Developer II	M-2	\$115,490
Robert J. Jackowski	Senior Corporate Finance Manager	M-2	\$115,490
Karen D. Rusin	Environmental Engineer III	M-2	\$114,962
Elizabeth U. Ricci	Environmental Engineer III	M-2	\$114,137
Harry Nelson	Environmental Engineer III	M-2	\$114,000
Kate S. Howard	Secretary to the Corporation/Associate Counsel	M-3	\$112,200
John A. Spath	Senior Counsel	M-4	\$112,155
Robert Hom	Senior Manager, Investments	M-3	\$111,838
Rebecca Walker	Senior Manager, Equity Finance	M-2	\$107,521
Christopher J. Czub	Accounting Manager	M-1	\$104,135
Kimberly L. Doherty	Debt Service Manager	M-1	\$104,135
Dorian DiCocco	Environmental Engineer II	M-1	\$104,135
Philip K. Grommet	Associate Counsel	M-2	\$101,403
Joanna P. Gleason	Associate Counsel	M-2	\$101,403
Jennifer L. Sunkes	Finance Manager	M-1	\$100,650
Brian S. Hahn	Project Manager	M-1	\$100,291

## **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.

**Date Adopted:** April 15, 2010

**Last Revised:** June 13, 2022

### **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, 2021 - March 31, 2022**

**1. Provide grants to water quality infrastructure projects**

State Water Grants

Since the implementation of a state water grant program in 2015, EFC has awarded 610 grants to 415 communities for drinking or clean water infrastructure projects. These grants have saved recipients over \$2 billion dollars in potential financing costs associated with water and wastewater projects.

During State Fiscal Year (SFY) 2021-2022, EFC disbursed approximately \$157 million in Water Infrastructure Improvement (WIIA), Emerging Contaminant (EC), and Intermunicipal Water Infrastructure Act (IMG) grant funds to 212 communities.

Engineering Planning Grant (EPG) Program

In May 2021, \$2.5 million was made available for another round of the EPG Program. Applications were due July 30, 2021. EFC received 90 eligible applications for over \$3.5 million. On December 14, 2021, EFC awarded \$2,514,750 to 56 projects.

Since the inception of the EPG Program in 2012, EFC disbursed \$14.9 million to fund 503 EPG Program projects, which has led to over \$835 million in Clean Water State Revolving Fund financings for clean water infrastructure projects.

Green Innovation Grant Program (GIGP)

In May 2021, up to \$20 Million was made available for another round of the GIGP Program. Grants were available on a competitive basis to projects that improve water quality and mitigate the effects of climate change through the implementation of one or more of the following green practices: Green Stormwater Infrastructure, Energy Efficiency, and Water Efficiency. EFC received 89 eligible GIGP applications for over \$86 million by the July 30, 2021 deadline. On December 14, 2021, EFC awarded \$20,860,000 to 17 projects.

Since the inception of the GIGP in 2009, the program disbursed over \$140.7 million to fund 198 green infrastructure projects.

**2. Deliver consistent program performance while maximizing efficiency of operations**

Clean Water State Revolving Fund (CWSRF)

In Federal Fiscal Year (FFY) 2021 the CWSRF committed \$773 million in financial assistance to 102 clean water infrastructure projects.

Since inception of the program in 1987, the CWSRF has provided over \$30.8 billion in financial assistance to over 600 recipients for clean water infrastructure projects that protect and improve water quality and public health throughout the State.

On March 31, 2022, the total net position of the CWSRF was \$5.9 billion.

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

In FFY 2021, the DWSRF committed \$297 million in financial assistance to 52 drinking water projects, including \$6.9 million in DWSRF grants to 5 disadvantaged communities.

Since inception of the DWSRF program in 1996, the DWSRF has provided \$7.6 billion in financial assistance to public water systems throughout the State, including \$391 million in grants, to over 500 recipients.

On March 31, 2022, the total net position of the DWSRF was \$1.4 billion.

#### Disbursements

Demand for EFC funding remained high, and disbursements continued to be released consistently throughout the COVID-19 pandemic.

In SFY 2021-2022, EFC released over 1,706 disbursements totaling more than \$992 million, including SRF funds and state grant (WIIA, IMG or EC) funds. The Green Infrastructure and Resiliency Programs Unit released 76 disbursements to 23 projects totaling \$12,492,030. Additionally, 6 projects were closed out during this reporting period.

#### EFC Bond Issuance

EFC closed two series of bonds in SFY 2021-2022, Series 2021A was closed in June of 2021. This transaction on behalf of the New York City Municipal Water Finance Authority refunded EFC's Series 2011B and provided a savings of \$106 million to the Authority.

In addition, EFC closed on Series 2021B in December 2021. This pooled transaction included financing for 32 municipalities and also refunded EFC's Series 2011C delivering a total of \$19.5 million in savings to 48 municipalities.

During SFY 2021-22, EFC maintained the AAA/Aaa credit ratings for the 2010 Master Financing Indenture and the senior and subordinate New York City Municipal Water Finance Authority Indentures.

#### Administration



In SFY 2021-22, EFC utilized \$11.3 million and \$1.8 million of the FFY 2021 CWSRF and DWSRF Capitalization Grants, respectively, from the U.S. Environmental Protection Agency (EPA) for administrative costs, out of the allowable combined amount for the two grants of \$14 million.

### Audit Compliance

EFC's Independent Auditor, KPMG LLP, issued an unmodified opinion associated with its financial statement audit of EFC for the SFY ended March 31, 2021.

### EPA Performance Evaluation Review

For the second year in a row, EPA conducted a virtual meeting with EFC and DOH for the annual review of the CWSRF and DWSRF programs. The virtual on-site review was conducted April 27, 2021 and included FFY 2020 for both the base and Hurricane Sandy capitalization grants for both programs.

Program Evaluation Reports (PERs) for each program were transmitted on August 26, 2021 (CWSRF) and September 1, 2020 (DWSRF). There were no significant deficiencies identified in the PERs.

## **3. Provide quality services and program assistance to clients**

### 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 87 projects and conducted 72 site visits.

### Program Outreach

EFC expanded its community and public outreach efforts during SFY 2021-2022. EFC's participation included a presentation with the Council of Development Finance Agencies, which was EFC's collaboration with this organization for the first time. EFC also hosted a number of webinars and attended several events (both in-person and virtually) hosted by stakeholder groups.

### Minority- and Women-owned Business Enterprise (MWBE) Participation

In SFY 2021-2022, EFC had 29.48% (\$8.2 million) MWBE participation in its corporate procurements. MWBE participation was \$132 million (15%) for CWSRF and DWSRF recipients in FFY 2021.

## **4. Provide support to programs that protect water resources**

### Addressing Water Violations

In SFY 2021-2022, EFC provided \$581 million in SRF financing to 60 projects addressing Clean Water Act violations or State Pollutant Discharge Elimination System permit compliance schedules, and \$212 million to 18 projects addressing Safe Drinking Water Act violations.

### Septic System Replacement Fund

Through March 31, 2022, EFC disbursed \$12.6 million in grants for 1,492 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.

### Asset Management Program

The Asset Management Program began in May 2017, with \$1 million funded to support DEC's Municipal Sewage System Asset Management Pilot Program. The pilot started with a single engineering consultant working with ten municipalities of various sizes from across the State. Since that time, there has been significant progress in achieving our goals as evidenced by the application of asset management to ten recipients and \$2 billion in wastewater infrastructure.

During SFY 2021-2022, EFC worked with Department of Environmental Conservation's Division of Water to begin implementing the next phase of the Asset Management program for wastewater infrastructure. During this period, an Asset Management Advisor was procured, and a Call for Communities was issued to solicit volunteer communities to participate in the program. Additionally, the state's Asset Management Guide (Guide) was revised and issued in December 2021. The Guide 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.

In 2022, a Request for Proposals will be issued for at least 10 engineering consultants. Under the direction of the Advisor, the engineering consultants will develop at least 50 asset management plans for varied sizes of wastewater infrastructure using the revised state Asset Management Guide. Additionally, the engineering consultants will learn a more consistent approach to asset management plan development that can be used for municipalities across the state.

### Consideration of Hardship Financing for Environmental Justice Areas

In the SFY 2021-2022 Clean Water and Drinking Water Intended Use Plans, the Hardship Policies were updated to make zero-interest financing available to more areas that serve Environmental Justice communities. Municipalities that would otherwise not be eligible for Hardship financing may be eligible if their project serves, protects, or benefits an Environmental Justice Area. One community pursued this option for hardship in FFY 2021. EFC is planning to expand the program in future years.

### Water Infrastructure Emergency Financial Assistance Program

Since program inception in 2017, EFC has provided emergency loans totaling approximately \$4.9 million to six communities for emergency clean and drinking water projects, with \$4 million having been repaid by the communities mostly with SRF funds. As of March 31, 2022, one emergency loan remained outstanding, totaling \$900,000, leaving \$9.1 million available for emergency funding.

## 2021/2022 INTERNAL CONTROL CERTIFICATION

New York State Environmental Facilities Corporation

Agency/Authority Name

Maureen A. Coleman, President and CEO

Basil Seggos, Chairman

Agency Head/Chairperson Governing Board

625 Broadway, Albany, NY 12207-2997

(518) 402-6924

Agency/Authority Address

Telephone Number

Maureen L. McGrath

(518) 402-6924

Name of Internal Control Officer

Telephone Number

maureen.mcgrath@efc.ny.gov

Email Address of Internal Control Officer

I hereby certify the agency or authority is:

- Fully Compliant (Full compliance with all provisions)**
- Partially Compliant (Partial compliance with some or all provisions)**
- Not Compliant (Noncompliance with all provisions)**

With the New York State Governmental Accountability, Audit and Internal Control Act.

This certification is supported with detailed justification of actions taken and/or outlines specific actions needed to address areas of partial compliance or noncompliance as described in the preceding Internal Control Summary.



Signature/Agency Head or Chairperson of Governing Board

6/29/2022  
Date

## 2021-22 INTERNAL CONTROL SUMMARY & CERTIFICATION FORM

The Internal Control Summary and Certification Form provides supporting justification for an agency's or authority's level of compliance with the requirements of the Internal Control Act as outlined below.

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Environmental Facilities Corp.	6/29/22	Maureen L. McGrath	(518) 402-6924
Agency Name	Date	Completed by (Name)	Phone

**A. Establish and maintain guidelines for a system of internal controls for the agency or authority.** Internal control guidelines communicate an organization's management and programmatic objectives to its employees and provide the methods and procedures used to assess the effectiveness of its internal controls in supporting those objectives. Internal control guidelines should:

1. State the agency head's support of internal controls to provide staff with an understanding of the benefits of effective controls;
2. Identify the agency's primary responsibilities and the objectives;
3. Explain how internal controls are organized and managed;
4. Define responsibilities of agency management and supervisors and agency staff;
5. Acknowledge that internal controls adhere to accepted standards; and,
6. Describe the organization's process for evaluating internal controls.

**For this requirement, the agency/authority is:**

Fully Compliant       Partially Compliant       Not Compliant

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

The Environmental Facilities Corporation ("EFC" or "Corporation") has consistently maintained an effective system of Internal Controls. Executive staff of the Corporation emphasize the importance of maintaining effective controls over the Corporation's operations through orientation manuals, periodic distribution of procedural information to all employees, yearly training, regular staff meetings, as well as at meetings of the Board of Directors, and annually at the onset of the yearly external audit of the Corporation's financial statements. Specific testing criteria for each function requiring review was established during the 2015-2016 review cycle. This Internal Control Review testing component has provided a valuable additional step that allows managers to review each function more thoroughly. EFC's Internal Controls are organized first by Division, then by unit or individual responsible for the management of each function. Each function has an assigned risk level that determines how often that function requires review. Each responsible individual is then required to submit the completed Internal Control Function Review worksheets and Internal Control Review Testing worksheets to their respective Division Directors for review and certification of proper completion. EFC's Executive Staff are required to certify that their specific divisional functions are operating effectively and as intended. This is completed with

input from supervisors and program staff. If a function is not operating effectively, a Corrective Action Plan (CAP) must be established prior to Division Director certification. Although the oversight of EFC's Internal Controls program no longer resides with the Division of Budget, EFC management feels it is an effective means of monitoring and maintaining its program and continues to follow the Division of Budget guidance, with input from other outside sources, including the New York State Internal Controls Association, Office of the State Comptroller and Authorities Budget Office. As updates in the field are established, EFC incorporates these where applicable. In addition, because EFC's success is in large part dependent on the rating of its bonds, the ratings agencies review financial operations, which strengthens the overall internal control process due to the additional levels of review for higher risk functions.

**B. Establish and maintain a system of internal controls and a program of internal control review for the agency or authority.** The system of internal control should be developed using the COSO (Committee of Sponsoring Organizations of the Treadway Commission) conceptual framework adopted in the *Standards for Internal Controls in New York State Government*, and should incorporate COSO's five basic components of internal control: control environment, risk assessment, control activities, information and communication and monitoring.

The program of internal control review shall be a structured, continuing and well documented system 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 agency's or authority's internal controls.

Organizations can adopt a system of internal control review tailored to their needs, size and degree of centralization. The procedures for evaluating the adequacy of that system also vary, but at a minimum should:

1. Identify and clearly document the primary operating responsibilities (functions) of the agency or authority;
2. Define the objectives of these functions so they are easily understood by staff accountable for carrying out the functions;
3. Identify/document the policies and procedures used to execute functions;
4. Identify the major functions of each of the agency's assessable units;
5. Develop a process or cycle to assess risk and test controls for major functions;
6. Assess the risks and consequences associated with controls failing to promote the objectives of major functions;
7. Test controls to ensure they are working as intended (see the "Manager's Testing Guide" which can be downloaded from BPRM Item B-350);
8. Institute a centrally monitored process to document, monitor and report deficiencies and corrective actions.

**For this requirement, the agency/authority is:**

Fully Compliant       Partially Compliant       Not Compliant

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement and specifically address the following points:**

1. Describe the process used to review the agency's/authority's internal controls.
2. List all high-risk activities and indicate which were reviewed during 2021-22.
3. Identify the significant deficiencies revealed during the 2021-22 review process. Outline the actions taken, or planned, to eliminate deficiencies, highlighting the most important improvements made during the year.
4. Describe the monitoring system installed by the agency to verify that corrective actions are taken. Discuss the extent to which IT systems are used to track corrective actions.
5. Summarize specific actions the agency has taken to install a compliance testing program. Describe actions taken during 2021-22 to verify test results and expand the testing program.
6. Describe measures instituted to sustain the effectiveness of the internal control program during 2021-22. Include information on reorganizations and other revisions in the program to enhance operations.
7. Describe efforts agency/authority management has taken to coordinate and integrate the documentation and reporting of activities the Office of the State Comptroller's *Standards for Internal Controls in New York State Government* recognize as supporting a good internal control system: evaluation, strategic planning and internal audit.
8. Describe efforts agency/authority management has taken to effectively communicate information within the organization. Information should be communicated to management and other employees who need it in a form and within a time frame that helps them to carry out their responsibilities. Communication is not an isolated internal control component. It affects every aspect of an organization's operations and helps support its system of internal control. The feedback from this communication network can help management evaluate how well the various components of the system of internal control are working.

EFC utilizes the Four-Step process for Internal Control. This process works effectively for EFC and all the steps identified in the framework of COSO are addressed. Because all of the Internal Control function duties for a single task are completed by one individual, the Four-Step process continues to be an effective means for reviewing Internal Control submissions, monitoring, or making recommendations to modify risk levels, and maintaining a centralized location for the monitoring of CAPs.

For 2021-22, no functions being reviewed have been identified as being high-risk. No significant deficiencies were noted during this review cycle, however, there remains

potential deficiencies with regard to some of our IT functions. While not immediately critical, it is important that these deficiencies are discovered and corrective action put into place. A new President and CEO was appointed in 2021-2022 and has since put a strong emphasis on evaluating risk, especially regarding IT functions. A Chief Risk Officer was appointed and is engaged in multiple aspects of risk mitigation, primarily in the areas of cyber and information security. Additionally, the President and CEO has emphasized the need to be adequately staffed to ensure that tasks are not only being completed, but that they are done correctly and that staff have the tools and resources to perform their jobs at the highest level. We have appointed a Senior Manager of IT, brought on an additional developer and have hired a system administrator to provide redundancy. This has also allowed EFC to focus on succession planning for this unit. After a thorough review of IT functions, two functions require corrective action. This is not due to previous staff negligence but is a result of having additional resources and subject matter expertise to assist us in identifying where risks are most critical. During this reporting period, EFC identified system management of EFC's network and custom application development as areas requiring corrective action plans. The risks identified are primarily due to incomplete procedural documents and inadequate training on newer industry standards. IT staff have already begun working on these corrective actions and have made noticeable improvement in these areas.

The monitoring of CAPs is maintained efficiently at EFC. Due to the small size of EFC, IT systems are not necessary to track corrective action plans. The Internal Control Officer reviews the timelines for completion of CAPs and tracks the proposed due dates for completion. The Division that has any functions requiring corrective action is notified prior to the due date and is required to follow up with either notification that the CAP has been completed or with a new estimated date of completion.

Each division is responsible for the testing of their individual functions, through the review of internal policies and procedures. Each Division has been provided with a copy of the Manager's Guide: Testing Compliance with the Internal Control Requirements. All Internal Control reviews are monitored by the Internal Control Officer to ensure that each function is reviewed appropriately. Any reviews that are not completed in their entirety are returned to the reviewer for completion. The Division Director certifies that all appropriate procedures for Internal Control and review are completed successfully for the state fiscal year.

All divisions were provided a copy of OSC's Standards for Internal Controls in New York State Government, which was updated in 2015-2016. EFC currently follows all the reporting requirements. Strategic planning is a continuing discussion and functions are continually modified and reviewed to meet the needs of the Corporation and outside entities. Each year at its annual meeting, the Board of Directors discuss whether or not hiring an Internal Auditor is recommended and continues to determine there is no need at this time. In addition, EFC is required by State law to have an audit of its financial statements conducted each year. KPMG is EFC's contracted outside auditor and has completed its audit of EFC's Financial Statements for State fiscal year 2021-22.

EFC's intranet site, WeFC, is the central repository for all the Corporation's information. Management generally avoids sending emails to all staff unless urgent or required, in an effort to encourage staff to visit the intranet site on a regular basis. This site contains all information an employee needs access to, including but not limited to legal information



– including whistleblower and conflict of interest policies, current legislation and ethics requirements; Internal Controls; Human Resources - including policies and procedures, benefit information and frequently used forms; emergency information; Information Technology tips; OGS and OSC purchasing and travel policies and procedures; Time and Attendance policies and access to Kronos – our time keeping software; and most recently, information impacting staff regarding COVID-19.

**C. Make available to each officer and employee of the agency or authority a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such agency or authority shall be expected to comply along with detailed policies and procedures the employees are expected to adhere to in completing their work.** The statement should set the tone at the top. It should be issued periodically and emphasize the importance of effective internal controls to the agency or authority and the responsibility of each officer and employee for effective internal controls.

Managerial policies and procedures for the performance of specific functions are articulated in administrative manuals, employee handbooks, job descriptions and applicable policy and procedure manuals. While it is not necessary for all employees to possess all manuals, employees should be provided with, or have access to, applicable policies and procedures for their position.

**For this requirement, the agency/authority is:**

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

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

As a NYS public benefit corporation, EFC is subject to the guidance provided by the Authorities Budget Office, who is authorized to oversee the operations of public authorities pursuant to Chapter 506 of the Laws of 2009 (“The 2009 Public Authorities Reform Act”). As such, EFC has issued many policies and procedures applicable to EFC staff, including EFC’s Code of Ethical Conduct, Conflict of Interest, Policies and Procedures on Procurement Lobbying, Equal Employment Opportunity, Whistleblower Protection, Sexual Harassment, Workplace Violence Prevention, to name just a few. 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 all the duties, responsibilities and qualifications of each. All employees of EFC have access to all policies, procedures, manuals, and guidance documents via the employee intranet website, WeFC.

**D. Designate an Internal Control Officer (ICO), who shall report to the head of the agency or authority or to their designee within the executive office, to**

**implement and review the internal control responsibilities established pursuant to this Item. The designation of the ICO should be communicated to all employees.**

The ICO works with appropriate personnel within the agency or authority to coordinate the internal control activities and to help ensure that the internal control program meets the requirements established by BPRM Item B-350. Although the ICO evaluates the adequacy of the internal control reviews performed by agency or authority staff, program and line managers are primarily responsible for conducting reviews to assure adherence to controls and analyzing and improving control systems. The ICO should be an individual with sufficient authority to act on behalf of the agency head in implementing and reviewing the agency's internal control program. This individual should have a broad knowledge of agency operations, personnel and policy objectives.

**For this requirement, the agency/authority is:**

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

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

EFC's designated Internal Control Officer is currently the Director of Administration and Corporate Operations. The Director reports to the Executive Vice President and President and CEO. The Director is senior staff and has direct access to all staff within the Corporation.

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

Agencies and authorities should identify staff requiring internal control training and the depth and content of that training. Such education and training should be on-going with specific courses directed at line staff, middle managers and executive management. For organizations that have established internal audit functions, training and education should be offered on the appropriate role of the internal auditor within the organization's internal control system.

**For this requirement, the agency/authority is:**

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

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement.**

Every new employee of the Corporation is required to take the mandatory state-wide Internal Controls training, established by the Governor's Office and the Office of Employee Relations, at the onset of employment. This state-wide training is then required of all employees every calendar year. Annually, the ICO will meet with staff required to complete Internal Control Reviews to provide assistance at the beginning of the review cycle. New staff who are directly involved in the review of Internal Controls are encouraged to meet with the ICO to learn the process and requirements of completing their necessary reviews.

Each individual responsible for Internal Control Reviews is annually provided with the Manager's Guide, the Standards for Internal Controls in New York State Government and the step by step procedures for completing a review of each function.

**F. Periodically evaluate the need for an internal audit (IA) function. If an IA function exists, it should be maintained in compliance with generally accepted professional auditing standards. Agencies on the Division of the Budget's list of agencies required to establish IA functions – and those choosing to have an IA function – are required to comply with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* (see BPRM Item B-350 Section III "IA Responsibilities").**

As outlined in BPRM Item B-350, agencies and authorities are required to periodically evaluate the need to establish, maintain or modify an IA function utilizing the *Internal Audit Evaluation Criteria* (Attachment C).

Agencies concluding that an IA function is warranted should submit their evaluation to DOB as outlined in BPRM Item B-350. Periodically thereafter, agencies with IA functions should review current operations to determine whether the function should be altered or maintained.

Agencies concluding an IA function is not warranted should periodically reevaluate the need for such a function using Attachment C, especially when organizational, operating, fiscal, program, legal or personnel changes occur which affect the agency's exposure to risk or which could otherwise change the results of the initial assessment.

Pursuant to BPRM Item B-350, agencies required to have – and those entities choosing to have – an internal audit unit should comply with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Therefore, IA units should comply with the guidance outlined below regarding organizational placement, independence and reporting.

1. Directors of Internal Audit (DIA) should report functionally to the agency head or audit committee and may report administratively to the designated executive deputy (or equivalent position). If the executive deputy has line or staff duties, the DIA should report directly to the agency head.

2. A current organizational chart should be available that identifies the placement of the IA unit, the individual that has responsibility for overseeing the internal audit activity and other organizations/activities under its purview.
3. The IA function should be independent of the ICO, but should work closely with the ICO. Limitations should be established on IC activities where those duties overlap. Agencies should identify impairments to the independence of the DIA that may be created where the DIA is performing the ICO function. Furthermore, IA units should not assume operating responsibilities, perform management functions, make management decisions or assume other monitoring roles (e.g., Information Security Officer).
4. Internal audit staff should complete an annual independence statement identifying actual/potential impairments to independence and notifying the DIA whenever a new actual/potential impairment arises.
5. At a minimum, DIAs should hold quarterly meetings with agency executive management and the audit committee, where applicable, to report on audit results. Final reports should be distributed to the agency head, executive deputy, auditee, ICO and the audit committee.
6. The DIA should assure that agency audit staff have the skills, knowledge and ability to perform the audit work required and that the size of the audit staff is appropriate given the size and complexity of the organization.
7. IA units should take steps to ensure sufficient audit resources are available given the size and complexity of the organization. This can be accomplished by exploring in-sourcing, outsourcing and sharing audit services.

**For this requirement, the agency/authority is:**

- Not Applicable – This agency/authority does not have an IA function.**
- Fully Compliant**       **Partially Compliant**       **Not Compliant**

**Provide a thorough explanation of the specific actions your agency has taken, or are needed, to comply with this requirement by providing the following information:**

1. A current organizational chart identifying the placement of the IA unit, the name and title of the IA director, other organizations/activities under the IA function's purview and the name and title of the person to whom the IA director reports.
2. A description of how the internal audit director's credentials, education and experience meets the minimum qualifications established in BPRM Item B-350.
3. A description of how continuing professional education requirements are met by the director and each staff member.

4. A description of how quality assurance review requirements are being met.
5. A description of how the IA function ensures that it does not compromise its independence if it is also responsible for other functions (i.e., internal control, information security or other duties).
6. A copy of your 2021-22 internal audit plans.
7. Documentation pertaining to the risk-assessment utilized in formulating the 2021-22 audit plans.
8. An indication of which audits in the audit plan for FY 2021-22 were not conducted, and an explanation as to why they were not conducted.
9. An estimate of the cost savings to be achieved by virtue of implementing the recommendations contained in each conducted audit described in the FY 2021-22 audit plans and any audits that were conducted during that time period that were not in the audit plan. If it is not feasible to provide a cost estimate for savings, please identify process improvements, risk mitigation, fraud prevention or cost avoidance measures that result from implementation of such recommendations.
10. Identify the recommendations contained in the audits described in the FY 2021-22 audit plans that were not implemented, if any, and provide a full explanation why they were not implemented.
11. Identify the recommendations contained in final audits issued by the Office of State Comptroller between April 1, 2019 and March 31, 2020 that were not implemented, if any, and provide a full explanation why they were not implemented.

The Governor's Office of Taxpayer Accountability (OTA) and the Division of the Budget (DOB) will be conducting a review of these State agency and authority internal and contract audit plans and audit recommendations to assess (i) whether the audit plans are based on a documented risk assessment which captures areas for review that have the greatest risk exposure, (ii) the percentage of audits identified in each audit plan that were conducted, (iii) whether recommendations contained in audits were implemented, and any reasons for non-implementation, and (iv) cost savings and other benefits attributable to the audits. In addition, the OTA and DOB will assess whether recommendations contained in audits conducted by the Office of the State Comptroller were implemented, and any reasons for non-implementation.

The Audit Committee of EFC's Board of Directors discusses the need for an Internal Audit function at the Annual Meeting of the Board of Directors each year. The discussion on June 23, 2022 included input from EFC's outside auditor as well as EFC's Executive and Senior Staff. It has been determined that EFC does not require an

Internal Audit function at this time. This matter will be reviewed again at the Corporation's Annual Meeting held in June of 2023.



## **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.

EFC has reviewed and readopted this Code, effective June 13, 2022.

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

Nothing to report for SFY 2021-22.

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

Nothing to report for SFY 2021-22.

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

Nothing to report for SFY 2021-22.



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

Nothing to report for SFY 2021-22.

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

	<b>Last Year (Actual) 2021</b>	<b>Current Year (Estimated) 2022</b>	<b>Next Year (Adopted) 2023</b>	<b>Proposed 2024</b>	<b>Proposed 2025</b>	<b>Proposed 2026</b>
<b><u>REVENUE &amp; FINANCIAL SOURCES</u></b>						
<b>Operating Revenues</b>						
Charges for services	\$16,118.00	\$11,000.00	\$10,000.00	\$0.00	\$0.00	\$0.00
Rental & financing income	19,029,108.00	15,667,000.00	17,758,000.00	17,980,000.00	18,833,000.00	17,355,000.00
Other operating revenues	307,660,711.00	289,083,000.00	289,983,000.00	286,992,000.00	281,997,000.00	275,986,000.00
<b>Nonoperating Revenues</b>						
Investment earnings	70,682,737.00	55,168,400.00	51,440,500.00	47,523,600.00	44,273,700.00	40,356,800.00
State subsidies/grants	111,011,970.00	233,447,000.00	215,700,000.00	220,700,000.00	212,700,000.00	200,700,000.00
Federal subsidies/grants	9,027,139.00	12,406,000.00	15,577,320.00	15,665,800.00	17,156,200.00	17,850,600.00
Municipal subsidies/grants	0	0	0	0	0	0
Public authority subsidies	0	0	0	0	0	0
Other nonoperating revenues	118,271.00	276,000.00	30,000.00	30,000.00	30,000.00	30,000.00
<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>\$517,546,054.00</b>	<b>\$606,058,400.00</b>	<b>\$590,498,820.00</b>	<b>\$588,891,400.00</b>	<b>\$574,989,900.00</b>	<b>\$552,278,400.00</b>
<b><u>EXPENDITURES</u></b>						
<b>Operating Expenditures</b>						
Salaries and wages	8,201,732.00	9,161,000.00	11,648,600.00	11,999,200.00	12,358,200.00	12,729,600.00
Other employee benefits	6,927,451.00	7,514,400.00	9,505,920.00	9,884,500.00	9,727,200.00	10,110,400.00
Professional services contracts	540,802.00	748,000.00	2,252,900.00	2,269,800.00	1,028,000.00	1,045,500.00
Supplies and materials	0	0	0	0	0	0
Other operating expenditures	8,885,361.00	3,496,200.00	4,434,400.00	4,194,300.00	4,203,500.00	4,212,700.00
<b>Nonoperating Expenditures</b>						
Payment of principal on bonds and financing arrangements	0	0	0	0	0	0
Interest and other financing charges	264,021,594.00	252,825,000.00	254,479,000.00	252,796,000.00	248,552,000.00	244,630,000.00
Subsidies to other public authorities	0	0	0	0	0	0
Capital asset outlay	0	0	0	0	0	0
Grants and donations	137,256,893.00	282,540,000.00	535,983,000.00	548,284,000.00	555,841,000.00	551,325,000.00
Other nonoperating expenditures	96,838,096.00	96,673,000.00	95,103,000.00	92,682,000.00	90,776,000.00	88,308,000.00
<b>Total Expenditures</b>	<b>\$522,671,929.00</b>	<b>\$652,957,600.00</b>	<b>\$913,406,820.00</b>	<b>\$922,109,800.00</b>	<b>\$922,485,900.00</b>	<b>\$912,361,200.00</b>
<b>Capital Contributions</b>	<b>\$7,405,819.00</b>	<b>\$274,359,000.00</b>	<b>\$1,138,014,000.00</b>	<b>\$792,475,000.00</b>	<b>\$859,180,400.00</b>	<b>\$893,958,800.00</b>
<b>Excess (deficiency) of revenues and capital contributions over expenditures</b>	<b>\$2,279,944.00</b>	<b>\$227,459,800.00</b>	<b>\$815,106,000.00</b>	<b>\$459,256,600.00</b>	<b>\$511,684,400.00</b>	<b>\$533,876,000.00</b>

NYS Environmental Facilities Corporation  
**Fiscal Year 2021-22 Actual vs Budgeted**  
Summary

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<b><u>Revenues</u></b>			
Bond financing fees	\$ 628,501	\$ 608,000	\$ 20,501
Administrative fees	17,886,873	18,559,000	(672,127)
Less DEC support	(3,500,000)	(3,500,000)	-
Administrative grant revenues	13,244,309	13,157,000	87,309
Less transferred to DEC	(851,005)	(751,000)	(100,005)
Contract service fees	10,192	11,000	(808)
Interest income on investments	53,733,116	55,089,400	(1,356,284)
Unrealized gain (loss) on investments	(41,017,140)	-	(41,017,140)
Interest income on bonds	277,081,480	273,963,000	3,118,480
Interest income on direct financings	12,970,284	15,120,000	(2,149,716)
State assistance payments revenue	167,963,459	233,447,000	(65,483,541)
Other revenues	268,373	276,000	(7,627)
Total revenues	<u>498,418,442</u>	<u>605,979,400</u>	<u>(107,560,958)</u>
<b><u>Expenses</u></b>			
Interest subsidy provided	94,999,715	96,673,000	(1,673,285)
Interest expense on bonds payable	248,952,278	252,825,000	(3,872,722)
State assistance payments expense	167,963,459	233,447,000	(65,483,541)
Grants disbursed/Principal forgiveness	35,061,825	49,093,000	(14,031,175)
Personal service costs	8,417,332	9,161,000	(743,668)
Fringe benefits	2,470,901	4,325,000	(1,854,099)
Other postemployment benefits	2,257,844	3,189,400	(931,556)
Supplies and materials	38,279	33,000	5,279
Travel	12,042	13,700	(1,658)
Equipment purchases and maintenance	260,917	215,500	45,417
Rent	-	504,500	(504,500)
Consultants	573,282	481,700	91,582
Postage	5,502	5,900	(398)
Printing	1,131	1,700	(569)
Board expenses	8,005	5,400	2,605
Training and conferences	2,618	5,100	(2,482)
Telephone	57,421	51,900	5,521
Miscellaneous	36,205	31,700	4,505
Insurance	24,387	27,000	(2,613)
Books and journals	23,778	22,500	1,278
Trustee	213,875	225,600	(11,725)
Reimbursable contractual	13,596	9,000	4,596
SRF admin expense fee account	776,616	1,410,000	(633,384)
NYS cost recovery fee	-	1,200,000	(1,200,000)
Total expenses	<u>562,171,008</u>	<u>652,957,600</u>	<u>(90,786,592)</u>
Decrease	(63,752,566)	(46,978,200)	(16,774,366)
Project grant revenues	296,242,996	363,047,726	(66,804,730)
Increase (decrease) in net position	<u>\$ 232,490,430</u>	<u>\$ 316,069,526</u>	<u>\$ (83,579,096)</u>

**SFY 21/22 State Revolving Fund Financings**

**Clean Water Long-Term Direct**

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Albany MWFA	4,407,496.00	277,498.48	4,684,994.48
Chemung County	2,980,302.00	1,186,092.00	4,166,394.00
City of Amsterdam	5,020,484.00	135,972.42	5,156,456.42
City of Binghamton	2,740,000.00		2,740,000.00
City of Dunkirk	11,278,916.00	525,708.35	11,804,624.35
City of Middletown	1,084,302.00	37,447.94	1,121,749.94
City of Oswego	4,642,431.00		4,642,431.00
City of Utica	3,254,374.00	476,533.00	3,730,907.00
City of Watertown	7,224,303.00	1,075,500.00	8,299,803.00
Nassau County	2,794,688.00		2,794,688.00
NYCMWFA	45,175,000.00		45,175,000.00
Town of Carrollton	1,212,614.00		1,212,614.00
Town of Coeymans	746,481.00		746,481.00
Town of Greenville	4,916,551.00		4,916,551.00
Town of Highlands	1,569,584.00		1,569,584.00
Town of Machias	6,801,551.00	369,526.17	7,171,077.17
Town of Rockland	1,464,552.00	188,830.00	1,653,382.00
Town of Seneca Falls	2,128,950.00		2,128,950.00
Town of Ticonderoga	9,128,436.00		9,128,436.00
Town of Wolcott	9,167,733.00		9,167,733.00
Village of Addison	2,814,899.00	22,331.09	2,837,230.09
Village of Arcade	758,091.00	26,039.49	784,130.49
Village of East Syracuse	1,009,052.00	87,156.00	1,096,208.00
Village of Geneseo	345,085.00		345,085.00
Village of Johnson City	2,260,000.00		2,260,000.00
Village of Little Valley	3,018,678.00	282,138.34	3,300,816.34
Village of Montour Falls	5,662,103.00		5,662,103.00
Village of Perry	1,981,957.00		1,981,957.00
Village of Phoenix	2,543,710.00	749,947.34	3,293,657.34
Village of Potsdam	12,078,502.00	178,167.32	12,256,669.32
Village of Rushville	1,696,462.00	69,337.98	1,765,799.98
Village of Watkins Glen	13,806,415.00		13,806,415.00
Village of Waverly	11,640,676.00	926,867.00	12,567,543.00
Village of Westfield	4,476,551.00	161,670.34	4,638,221.34
Village of Yorkville	2,639,928.00	364,754.51	3,004,682.51
Washington County	6,549,799.00	219,599.85	6,769,398.85
	<b>201,020,656</b>	<b>7,361,118</b>	<b>208,381,774</b>

**Clean Water Long-Term Leveraged**

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Cayuga County Water and Sewer Authority	595,000.00		595,000.00
City of Binghamton	5,064,287.00	5,480,000.00	10,544,287.00
City of Cohoes	460,000.00		460,000.00
City of Glens Falls	2,435,000.00		2,435,000.00
City of Kingston	3,100,000.00		3,100,000.00
City of Oswego	1,885,000.00		1,885,000.00
City of Rome	6,816,910.00	1,500,000.00	8,316,910.00
Dutchess County WWA	65,000.00		65,000.00
Erie County	10,185,000.00		10,185,000.00
Livingston County Water and Sewer Authority	1,970,000.00		1,970,000.00
NYCMWFA	255,841,044.90		255,841,044.90
Onondaga County	36,503,018.00		36,503,018.00
Rockland County	19,245,000.00		19,245,000.00
Town of Bedford	50,000.00		50,000.00
Town of Carmel	2,785,000.00		2,785,000.00
Town of Colonie	2,170,000.00		2,170,000.00
Town of Erwin	478,243.00	58,295.00	536,538.00
Town of Glenville	1,550,000.00		1,550,000.00
Town of Hague	1,185,000.00		1,185,000.00
Town of Highlands	1,323,675.00		1,323,675.00
Town of Lewiston	20,000.00		20,000.00
Town of Mount Hope	1,045,000.00		1,045,000.00
Town of North Castle	2,797,000.00		2,797,000.00
Town of North Hempstead	635,000.00		635,000.00
Town of Orangetown	2,405,000.00		2,405,000.00
Town of Owego	1,445,000.00		1,445,000.00
Town of Riverhead	625,000.00		625,000.00
Town of Sand Lake	240,000.00		240,000.00
Town of Thompson	1,422,570.00	85,292.00	1,507,862.00
Village of Albion	105,000.00		105,000.00
Village of Alfred	730,000.00		730,000.00
Village of Castleton-On-Hudson	5,936,453.00	681,773.50	6,618,226.50
Village of Corinth	115,000.00		115,000.00
Village of Depew	896,801.00	100,874.92	997,675.92
Village of Endicott	3,690,000.00		3,690,000.00
Village of Greenwood Lake	470,000.00		470,000.00
Village of Groton	595,000.00		595,000.00
Village of Johnson City	4,607,112.00	4,520,000.00	9,127,112.00
Village of Liverpool	1,245,000.00		1,245,000.00
Village of Mexico	2,181,826.00	624,922.00	2,806,748.00
Village of Montour Falls	484,511.00	121,564.08	606,075.08
Village of Norwood	1,710,000.00		1,710,000.00
Village of Painted Post	810,000.00		810,000.00
Village of Perry	35,000.00		35,000.00

Village of Solvay	310,000.00		310,000.00
Village of Spencerport	2,975,000.00		2,975,000.00
Village of Watkins Glen	1,180,469.00	363,318.65	1,543,787.65
Westchester County	36,454,614.00		36,454,614.00
	<b>428,873,534</b>	<b>13,536,040</b>	<b>442,409,574</b>

#### Clean Water Short-Term Direct

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Albany MWFA	23,469,066.00	5,000,000.00	28,469,066.00
City of Cohoes	1,095,863.00		1,095,863.00
City of Glens Falls	1,405,275.00	468,425.00	1,873,700.00
City of Lockport	3,268,750.00	531,250.00	3,800,000.00
City of Ogdensburg	12,693,207.00		12,693,207.00
City of Oneida		5,000,000.00	5,000,000.00
City of Oneonta	6,878,242.00	1,060,879.00	7,939,121.00
City of Troy	13,902,262.00		13,902,262.00
City of Troy	6,179,184.00	1,825,000.00	8,004,184.00
City of Watervliet	463,942.00		463,942.00
City of White Plains		362,895.00	362,895.00
Livingston County Water and Sewer Authority	7,603,105.00	706,250.00	8,309,355.00
Monroe County	9,890,682.00	3,775,000.00	13,665,682.00
Niagara Falls Public Water Authority	27,000,000.00		27,000,000.00
NYCMWFA	38,884,270.00	12,500,000.00	51,384,270.00
Onondaga County	3,750,000.00	2,250,000.00	6,000,000.00
Ontario County	3,268,125.00	1,089,375.00	4,357,500.00
Rockland County		6,250,000.00	6,250,000.00
Suffolk County	14,451,646.00	4,644,642.00	19,096,288.00
Town of Alexandria	2,571,689.00	667,773.00	3,239,462.00
Town of Ballston	13,921,170.63	1,284,097.00	15,205,267.63
Town of Cheektowaga	14,996,917.66	2,500,000.00	17,496,917.66
Town of Clarkstown		733,974.00	733,974.00
Town of Greenville	520,000.00	610,821.03	1,130,821.03
Town of Lockport		587,500.00	587,500.00
Town of New Windsor		392,188.00	392,188.00
Town of Orangetown		93,823.00	93,823.00
Town of Orleans	2,471,000.00	625,000.00	3,096,000.00
Town of Owego		56,998.00	56,998.00
Town of Peru	5,389,945.00	423,114.15	5,813,059.15
Town of Ramapo		1,325,000.00	1,325,000.00
Town of Ripley	1,378,537.00	459,513.00	1,838,050.00
Town of Rockland	1,193,158.00		1,193,158.00
Town of Rotterdam		533,000.00	533,000.00
Town of Springwater	446,597.00	61,455.00	508,052.00
Town of Thompson	4,000,000.00		4,000,000.00
Town of Wappinger		2,226,400.00	2,226,400.00

Town of Westport	3,148,395.00		3,148,395.00
Town of York		442,564.00	442,564.00
Town of Yorkshire	3,855,000.00	321,250.00	4,176,250.00
Village of Bergen	787,750.00	256,250.00	1,044,000.00
Village of Boonville	5,122,500.00	1,707,500.00	6,830,000.00
Village of Bronxville		507,125.00	507,125.00
Village of Castleton-On-Hudson	5,024,412.71	681,773.50	5,706,186.21
Village of Cobleskill	2,025,000.00	675,000.00	2,700,000.00
Village of Dundee	8,376,516.00	1,365,578.39	9,742,094.39
Village of Interlaken	3,887,750.00	1,227,250.00	5,115,000.00
Village of Moravia	7,000,000.00		7,000,000.00
Village of Ocean Beach	8,781,562.00	3,324,271.39	12,105,833.39
Village of Owego		58,750.00	58,750.00
Village of Perry	8,636,043.00	1,755,450.00	10,391,493.00
Village of Port Chester	870,125.00	316,250.00	1,186,375.00
Village of Red Hook	6,308,118.00	462,500.00	6,770,618.00
Village of Scotia	2,025,000.00	212,500.00	2,237,500.00
Village of South Corning	200,000.00		200,000.00
Village of Suffern	-	2,246,250.00	2,246,250.00
Village of Suffern	9,692,079.00	2,250,000.00	11,942,079.00
Village of Tivoli	6,042,750.00	919,150.00	6,961,900.00
Village of Tupper Lake	7,812,683.00	802,697.50	8,615,380.50
Village of Vernon	5,212,500.00	750,000.00	5,962,500.00
Village of Voorheesville		262,250.00	262,250.00
Village of Warwick	9,187,500.00	3,062,500.00	12,250,000.00
Village of Waterville	4,278,750.00	435,801.50	4,714,551.50
Village of Webster	9,485,750.00	1,414,250.00	10,900,000.00
Village of Wellsville	16,882,250.00	1,288,875.00	18,171,125.00
Village of Westhampton Beach	11,050,755.00	1,784,500.00	12,835,255.00
Village of Williamsville		1,612,500.00	1,612,500.00
Westchester County	28,321,205.77	1,228,349.00	29,549,554.77
	<b>395,107,028</b>	<b>89,415,507</b>	<b>484,522,535</b>

**Drinking Water Long-Term Direct**

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
City of Poughkeepsie	8,383,100.00	1,500,000.00	9,883,100.00
NYCMWFA	6,640,000.00		6,640,000.00
Town of Cairo	1,607,457.00		1,607,457.00
Town of Denmark	520,907.00	254,907.36	775,814.36
Town of Orleans	7,313,141.00	409,440.78	7,722,581.78
Town of Wallkill	897,242.00		897,242.00
Town of Windham	4,449,357.00	1,700,000.00	6,149,357.00
Village of Cattaraugus	847,748.00	3,935.93	851,683.93
Village of Gilbertsville	2,437,055.00		2,437,055.00
Village of Westfield	2,360,794.00	25,233.63	2,386,027.63
	<b>35,456,801</b>	<b>3,893,518</b>	<b>39,350,319</b>

**Drinking Water Long-Term Leveraged**

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Albany MWFA	7,483,061.00		7,483,061.00
Buffalo Municipal Water Finance Authority	290,000.00		290,000.00
City of Amsterdam	2,499,507.00	864,714.98	3,364,221.98
City of Cortland	2,524,683.00	1,075,088.50	3,599,771.50
City of Kingston	1,451,286.00	436,757.63	1,888,043.63
City of Middletown	13,125,000.00		13,125,000.00
NYCMWFA	98,484,409.95		98,484,409.95
Onondaga County Water Authority	7,410,000.00		7,410,000.00
Suffolk County Water Authority	646,116.00		646,116.00
Town of Bedford	12,335,000.00		12,335,000.00
Town of Colonie	571,166.00	73,437.99	644,603.99
Town of Evans	8,800,000.00		8,800,000.00
Town of Genoa	704,461.00	23,905.29	728,366.29
Town of Jay	1,041,596.00	272,781.30	1,314,377.30
Town of Nelson	1,287,782.00	6,421.00	1,294,203.00
Town of Newburgh	11,440,000.00		11,440,000.00
Town of Newstead	1,385,000.00		1,385,000.00
Town of North Greenbush	295,000.00		295,000.00
Town of Owasco	977,884.00		977,884.00
Town of Rotterdam	2,046,080.00	300,654.81	2,346,734.81
Town of Sullivan	399,235.00	337,140.09	736,375.09
UMVRWFA	470,000.00		470,000.00
Village of Adams	1,915,000.00		1,915,000.00
Village of Alexander	2,278,000.00	149,797.84	2,427,797.84
Village of Chatham	328,399.00	84.41	328,483.41
Village of Cobleskill	3,400,200.00		3,400,200.00
Village of Fredonia	1,388,611.00		1,388,611.00
Village of Kiryas Joel	2,954,663.00		2,954,663.00



Village of Lowville	2,299,508.00		2,299,508.00
Village of Round Lake	212,060.00		212,060.00
Village of South Corning	2,296,465.00	1,466,295.27	3,762,760.27
Village of Wappingers Falls	3,655,000.00		3,655,000.00
	<b>196,395,173</b>	<b>5,007,079</b>	<b>201,402,252</b>

**Drinking Water Short-Term Direct**

	<b>Financing</b>	<b>Grant</b>	<b>Total</b>
Chautauqua County	1,993,061.00	3,000,000.00	4,993,061.00
City of Hudson		321,600.00	321,600.00
City of Jamestown		3,000,000.00	3,000,000.00
City of Kingston	600,000.00	900,000.00	1,500,000.00
City of Mechanicville	2,925,000.00	616,492.29	3,541,492.29
City of North Tonawanda		1,836,907.00	1,836,907.00
City of North Tonawanda	7,276,907.00	1,163,093.00	8,440,000.00
City of Olean		911,454.00	911,454.00
City of Plattsburgh	2,801,800.00	3,000,000.00	5,801,800.00
City of Rochester		660,000.00	660,000.00
City of Rochester		1,167,977.00	1,167,977.00
City of Rochester		780,000.00	780,000.00
City of Rome	13,500,000.00	3,000,000.00	16,500,000.00
City of Syracuse		2,100,000.00	2,100,000.00
City of Watervliet	4,024,650.00	3,000,000.00	7,024,650.00
Dix Hills Water District		3,042,000.00	3,042,000.00
Erie County Water Authority		2,519,272.00	2,519,272.00
Garden City Park Water District		3,900,000.00	3,900,000.00
Greenlawn Water District		3,171,600.00	3,171,600.00
Jericho Water District		11,457,570.00	11,457,570.00
Livingston County Water and Sewer Authority	4,000,000.00	3,000,000.00	7,000,000.00
Manhasset Lakeville Water District		6,509,100.00	6,509,100.00
Massapequa Water District		4,000,400.00	4,000,400.00
Onondaga County Water Authority		1,500,000.00	1,500,000.00
Oyster Bay Water District		3,257,400.00	3,257,400.00
Oyster Bay Water District		286,000.00	286,000.00
Port Washington Water District		3,285,600.00	3,285,600.00
Port Washington Water District		14,791,200.00	14,791,200.00
Roslyn Water District		4,485,000.00	4,485,000.00
Saratoga County Water Authority	8,012,707.00	1,588,668.00	9,601,375.00
Suffolk County Water Authority		12,600,000.00	12,600,000.00
Town of Black Brook		924,000.00	924,000.00
Town of Campbell	1,820,851.00	2,731,276.00	4,552,127.00
Town of Chesterfield	10,888,500.00	817,556.39	11,706,056.39
Town of Crawford	2,133,987.00	2,311,680.00	4,445,667.00
Town of Ellicott		403,800.00	403,800.00
Town of Evans		2,898,000.00	2,898,000.00

Town of Granby	2,655,000.00	2,580,000.00	5,235,000.00
Town of Greenville	1,992,820.00	601,172.68	2,593,992.68
Town of Hempstead		3,413,400.00	3,413,400.00
Town of Hounsfield		76,000.00	76,000.00
Town of Hume	1,279,600.00	1,941,900.00	3,221,500.00
Town of Lewisboro		289,500.00	289,500.00
Town of Monroe		897,750.00	897,750.00
Town of Pamela	13,447,234.00	3,000,000.00	16,447,234.00
Town of Sennett		1,781,400.00	1,781,400.00
Town of Southampton		1,059,113.00	1,059,113.00
Town of Sullivan		480,000.00	480,000.00
Town of Ulster		457,200.00	457,200.00
Town of Wappinger		1,053,600.00	1,053,600.00
Upper Mohawk Valley Regional Water Board		3,000,000.00	3,000,000.00
Village of Albion	1,299,600.00	1,949,400.00	3,249,000.00
Village of Alden		108,000.00	108,000.00
Village of Andover	3,571,000.00	3,000,000.00	6,571,000.00
Village of Canisteo	1,776,800.00	2,665,200.00	4,442,000.00
Village of Catskill	2,085,681.00	2,914,319.00	5,000,000.00
Village of Dansville		3,000,000.00	3,000,000.00
Village of Hamburg		3,000,000.00	3,000,000.00
Village of Heuvelton		2,079,600.00	2,079,600.00
Village of Horseheads	2,000,000.00	3,000,000.00	5,000,000.00
Village of Mayfield	1,417,300.00	407,700.00	1,825,000.00
Village of Mexico	4,000,000.00	3,000,000.00	7,000,000.00
Village of Mineola		4,980,000.00	4,980,000.00
Village of Naples		1,152,000.00	1,152,000.00
Village of New Paltz		3,000,000.00	3,000,000.00
Village of Newark	5,947,000.00	1,336,186.12	7,283,186.12
Village of Nyack		3,000,000.00	3,000,000.00
Village of Ossining		3,000,000.00	3,000,000.00
Village of Sackets Harbor	1,769,200.00	1,639,800.00	3,409,000.00
Village of South Blooming Grove		660,000.00	660,000.00
Village of Stillwater	488,946.00	733,418.00	1,222,364.00
Village of Tannersville	2,281,903.00	534,834.69	2,816,737.69
Village of Tivoli	4,020,792.00		4,020,792.00
Village of Walton	800,000.00	1,200,000.00	2,000,000.00
Village of Waterloo	9,213,595.00	2,038,267.79	11,251,862.79
Village of Waverly	2,045,455.00	3,000,000.00	5,045,455.00
Water Authority of Western Nassau County		4,930,200.00	4,930,200.00
Wayne County Water and Sewer Authority		3,900,000.00	3,900,000.00
West Hempstead Water District		3,924,150.00	3,924,150.00
Westbury Water District		8,069,850.00	8,069,850.00
Westchester Joint Water Works (WJWW)		3,200,000.00	3,200,000.00
	<b>122,069,389</b>	<b>210,991,607</b>	<b>333,060,996</b>

**NYS Environmental Facilities Corporation**  
**Bond Ratings**  
**Period Ending 3/31/22**

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>
	NYCMWFA Issue	2021 A	6/30/21	284,745,000	AAA	Aaa	AAA
	2010 MFI Issue	2021 B	12/9/21	144,540,000	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, 2022 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, 2022 and 2021

(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, 2022 and 2021

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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 years ended March 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of March 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

#### *Basis for Opinion*

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

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a



substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### *Required Supplementary Information*

U.S. generally accepted accounting principles require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The combining schedule of net position, the combining schedule of revenues, expenses, and changes in net position, and the combining schedule of cash flows are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and





other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of net position, the combining schedule of revenues, expenses, and changes in net position, and the combining schedule of cash flows is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

KPMG LLP

Albany, New York  
June 30, 2022

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

Management's Discussion and Analysis (unaudited)

March 31, 2022 and 2021

**Introduction**

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

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

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

**Corporate Activities**

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

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

**State Revolving Fund Programs**

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

**Clean Water State Revolving Fund Program**

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

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

**Drinking Water State Revolving Fund Program**

The DWSRF program provides low-interest rate financing terms and in certain cases offers principal forgiveness, as well as hardship grants for publicly and privately owned community water system projects that

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

Management's Discussion and Analysis (unaudited)

March 31, 2022 and 2021

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 $\frac{1}{3}$ % interest rate subsidy, which saves communities money on interest costs.

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

**Water Infrastructure Improvement Acts/Clean Water Infrastructure Act of 2017**

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

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

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

**Financial Highlights – 2022**

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

**Financial Highlights – 2021**

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

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**SRF Program Activity**

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

<b>2022</b>				
<b>Series</b>	<b>Closed</b>	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
2021A	6/30/2021	\$ 205,725,000	79,020,000	284,745,000
2021B	12/9/2021	81,035,000	63,505,000	144,540,000
		<u>\$ 286,760,000</u>	<u>142,525,000</u>	<u>429,285,000</u>
<b>2021</b>				
<b>Series</b>	<b>Closed</b>	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
2020A	4/8/2020	\$ 171,385,000	—	171,385,000
2020B	12/17/2020	77,955,000	45,155,000	123,110,000
		<u>\$ 249,340,000</u>	<u>45,155,000</u>	<u>294,495,000</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>2022</b>		
	<b>CWSRF</b>	<b>DWSRF</b>	<b>Total</b>
Leveraged financings	\$ 378,757,489	176,930,763	555,688,252
Long-term direct financings	201,020,656	35,456,801	236,477,457
Short-term direct financings	406,780,097	122,069,389	528,849,486
Grants	10,186,959	5,901,182	16,088,141
	<u>\$ 996,745,201</u>	<u>340,358,135</u>	<u>1,337,103,336</u>

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

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

	<b>2022</b>		
	<b>CW</b>	<b>DW</b>	<b>Total</b>
Grants	\$ 156,082,290	231,302,753	387,385,043
Short-term loans	—	—	—
	<u>\$ 156,082,290</u>	<u>231,302,753</u>	<u>387,385,043</u>

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

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**Summary Schedule of Net Position**

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

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

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**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:

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

**Statements of Net Position Analysis**

*2022*

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

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

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

*2021*

The Corporation's total assets and deferred outflows of resources decreased \$141.2 million from \$13.3 billion as of March 31, 2020 to \$13.1 billion as of March 31, 2021. The decrease in assets and deferred outflows of resources of \$141.2 million was the net result of several factors, which include an increase in cash and cash

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equivalents of \$259.2 million, a decrease in short-term financings receivable of \$18.8 million, an increase in direct financings receivable of \$143.0 million, a decrease in bonds receivable of \$158.8 million, a decrease in due from NYS appropriation bonds receivable of \$16.4 million, as well as a decrease in investments of \$345.0 million.

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

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

**Changes in Net Position Analysis**

*2022*

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

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

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



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2021

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

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

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

### **Liquidity**

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

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

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

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**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).

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Statements of Net Position

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

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

See accompanying notes to basic financial statements.

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Statements of Revenues, Expenses, and Changes in Net Position

Years ended March 31, 2022 and 2021

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

See accompanying notes to basic financial statements.

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Statements of Cash Flows

Years ended March 31, 2022 and 2021

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

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Statements of Cash Flows

Years ended March 31, 2022 and 2021

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

See accompanying notes to basic financial statements.

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Notes to Financial Statements

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**(1) General**

**(a) Organization**

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

**(b) Description of Business**

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

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

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



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

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

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

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

1. A contract with the New York City Department of Environmental Protection (DEP) to administer Watershed Programs. Technical, financial and legal assistance is provided to DEP's Regulatory Upgrade Program;
2. The East of Hudson Septic System Rehabilitation Reimbursement Program contract with New York City DEP provides grants to reduce adverse water quality impacts from failing residential septic systems in the Kensico, West Branch, Boyd Corners, Cross River and Croton Falls portions of the New York City Water Supply Watershed Basin;
3. The Small Business Environmental Assistance Program (SBEAP) assists business owners in reducing discharges of pollutants into the environment by providing technical guidance;
4. The Clean Vessel Assistance Program (CVAP) provides grants to assist recipients install pump out and dump station facilities to receive sewage from recreational marine vessels. The program also works to raise boater awareness regarding the benefits, use, and availability of pump out stations;

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

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

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**(b) Revenue Recognition and Accounts Receivable**

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

**(c) Cash and Cash Equivalents**

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

**(d) Investments**

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

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

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

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

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

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

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

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

**(e) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and any differences are reflected in the statements of revenues, expenses, and changes in net position in the year of the change.

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

**(f) Net Position**

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

**(g) Operating and Nonoperating Revenues and Expenses**

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

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**(h) Net Pension Liability**

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

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

**(i) Other Post-Employment Benefits**

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

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

**(3) State Revolving Funds**

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

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

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

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

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

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

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

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**(4) Cash and Cash Equivalents and Investments**

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

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

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

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

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

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

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

<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	\$ 611,086,548	—	611,086,548	—
Total investments by fair value	<u>\$ 611,086,548</u>	<u>—</u>	<u>611,086,548</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. In order to manage this risk, the Corporation's guaranteed investment contracts are collateralized and held by a third party.

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

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

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

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**(5) Short-Term Financings Receivable**

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

Short-term financings receivable amounts are as follows:

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

Short-term financings receivable mature as follows:

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

**(6) Direct Financings Receivable**

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



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Direct financings receivable mature as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Year ended March 31:			
2023	\$ 91,429,462	33,712,815	125,142,277
2024	87,665,004	32,789,767	120,454,771
2025	76,325,620	30,768,338	107,093,958
2026	77,228,582	30,797,865	108,026,447
2027	77,983,621	29,961,867	107,945,488
2028–2032	521,099,484	150,360,324	671,459,808
2033–2037	426,018,928	145,742,216	571,761,144
2038–2042	429,444,645	125,792,949	555,237,594
2043–2047	338,271,512	96,983,706	435,255,218
2048–2052	180,017,045	56,771,194	236,788,239
	<u>\$ 2,305,483,903</u>	<u>733,681,041</u>	<u>3,039,164,944</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 financial statements. Moneys available and on deposit in the construction funds were \$52.9 million at March 31, 2022 and \$53.6 million at March 31, 2021.

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

Certain bond series provide for optional redemption provisions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest payments on bonds receivable are as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Year ended March 31:			
2023	\$ 212,641,256	48,466,805	261,108,061
2024	199,595,871	45,372,354	244,968,225
2025	186,676,997	42,448,287	229,125,284
2026	174,134,598	39,689,412	213,824,010
2027	161,848,141	37,018,868	198,867,009
2028–2032	636,561,006	145,639,812	782,200,818
2033–2037	362,786,812	101,649,975	464,436,787
2038–2042	176,452,569	67,466,355	243,918,924
2043–2047	58,943,949	26,675,976	85,619,925
2048–2052	10,855,855	5,442,944	16,298,799
	<u>\$ 2,180,497,054</u>	<u>559,870,788</u>	<u>2,740,367,842</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:			
2023	\$ 257,740,000	59,990,000	317,730,000
2024	259,220,000	59,725,000	318,945,000
2025	247,535,000	55,955,000	303,490,000
2026	249,760,000	55,055,000	304,815,000
2027	249,940,000	52,955,000	302,895,000
2028–2032	1,129,775,000	240,630,000	1,370,405,000
2033–2037	926,965,000	138,060,000	1,065,025,000
2038–2042	483,430,000	158,205,000	641,635,000
2043–2047	342,335,000	164,745,000	507,080,000
2048–2052	78,875,000	46,405,000	125,280,000
	<u>\$ 4,225,575,000</u>	<u>1,031,725,000</u>	<u>5,257,300,000</u>

Interest payments on bonds payable are as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Year ended March 31:			
2023	\$ 191,693,502	48,131,840	239,825,342
2024	179,770,700	45,273,497	225,044,197
2025	167,904,489	42,373,409	210,277,898
2026	156,270,772	39,662,431	195,933,203
2027	144,667,421	37,002,497	181,669,918
2028–2032	561,579,517	146,212,362	707,791,879
2033–2037	311,700,273	102,436,594	414,136,867
2038–2042	150,917,918	68,273,333	219,191,251
2043–2047	57,466,391	29,860,636	87,327,027
2048–2052	4,451,100	2,697,000	7,148,100
	<u>\$ 1,926,422,083</u>	<u>561,923,599</u>	<u>2,488,345,682</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, 2022	\$ 5,132,119,863	1,121,112,887	6,253,232,750
Equity funded bonds receivable	<u>(792,936,681)</u>	<u>(51,152,614)</u>	<u>(844,089,295)</u>
Bonds payable, March 31, 2022	<u>\$ 4,339,183,182</u>	<u>1,069,960,273</u>	<u>5,409,143,455</u>
Bonds receivable, March 31, 2021	\$ 5,402,087,444	1,178,194,735	6,580,282,179
Equity funded bonds receivable	<u>(801,450,994)</u>	<u>(54,792,592)</u>	<u>(856,243,586)</u>
Bonds payable, March 31, 2021	<u>\$ 4,600,636,450</u>	<u>1,123,402,143</u>	<u>5,724,038,593</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. The above tables represent the reconciliation of bonds receivable to bonds payable outstanding at March 31, 2022 and 2021. Bonds payable presented in the tables above are inclusive of unamortized bond premiums as of March 31, 2022 and 2021.

**(8) Other Restricted Funds**

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

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

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

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



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

	<u>DEC</u>	<u>WWTP</u>	<u>East of Hudson</u>	<u>Total</u>
Balance, March 31, 2021	\$ 283,648	264,055	2,136,395	2,684,098
Receipts:				
Program advances	—	—	—	—
Interest earnings	28	24	208	260
Total receipts	<u>28</u>	<u>24</u>	<u>208</u>	<u>260</u>
Disbursements:				
Project expenses	5,393	262,675	91,832	359,900
Administrative expenses	6,000	1,404	10,084	17,488
Total disbursements	<u>11,393</u>	<u>264,079</u>	<u>101,916</u>	<u>377,388</u>
Balance, March 31, 2022	<u>\$ 272,283</u>	<u>—</u>	<u>2,034,687</u>	<u>2,306,970</u>
	<u>DEC</u>	<u>WWTP</u>	<u>East of Hudson</u>	<u>Total</u>
Balance, March 31, 2020	\$ 2,492,295	264,029	2,242,048	4,998,372
Receipts:				
Program advances	—	—	—	—
Interest earnings	171	26	219	416
Total receipts	<u>171</u>	<u>26</u>	<u>219</u>	<u>416</u>
Disbursements:				
Project expenses	2,172,558	—	90,633	2,263,191
Administrative expenses	36,260	—	15,239	51,499
Total disbursements	<u>2,208,818</u>	<u>—</u>	<u>105,872</u>	<u>2,314,690</u>
Balance, March 31, 2021	<u>\$ 283,648</u>	<u>264,055</u>	<u>2,136,395</u>	<u>2,684,098</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 or Private Activity Bonds are considered conduit debt and not included as obligations in the accompanying financial statements of EFC.

Private Activity Bonds: Under the terms of the agreements, EFC issues bonds on behalf of private sector companies for use in the construction or refinancing of certain environmental projects. The bonds issued

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are special obligation revenue bonds payable solely from funds provided by the companies and do not constitute a liability of EFC or New York State and therefore are not reported in the accompanying financial statements. Private Activity Bonds outstanding totaled \$105 million at March 31, 2022 and March 31, 2021.

**(10) Retirement Plan**

**(a) General information**

Employees of EFC are members of the New York State and Local Employees' Retirement System (System), a defined benefit cost-sharing, multiple-employer public employee retirement system. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. System benefits and required contributions are established under the provisions of the New York State Retirement and Social Security Law (RSSL). The System offers a range of programs and benefits that vary based on the date of membership, years of credited service and final average salary, vesting of retirement benefits, disability benefits and optional methods of benefit payments. Once a public employer elects to participate in the System, the election is irrevocable. As part of ERS, EFC also participates in the Public Employees Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. The System's financial report may be found at [www.osc.state.ny.us/retire/publications/index.php](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 or who joined the System after December 31, 2009 are required by law to contribute a percentage of their gross salary; the Corporation contributes the balance payable to the System for these employees.

**(b) Contributions**

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

	<b>Contribution</b>
2022	\$ 1,311,796
2021	1,154,850

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

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

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

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

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

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

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

**(d) Actuarial Assumptions**

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These

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ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<b>Asset class</b>	<b>Target allocation</b>	<b>expected real rate of return</b>	<b>Target allocation</b>	<b>expected real rate of return</b>
Domestic equity	32 %	4.05 %	36 %	4.05 %
International equity	15	6.30	14	6.15
Private equity	10	6.75	10	6.75
Real estate	9	4.98	10	4.95
Absolute return strategies	—		2	3.25
Opportunistic portfolio	—		3	4.65
Opportunistic/Absolute Return	3	4.50	—	
Credit	4	3.63	—	
Real assets	3	5.95	3	5.95
Bonds and mortgages	—		17	0.75
Fixed Income	23	—	—	
Cash	1	0.50	1	—
Inflation indexed bonds	—		4	0.50
	<u>100 %</u>		<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 2022 and 2021 of 5.9% and 6.8%, respectively, were applied to all periods of projected benefit payments to determine the total pension liability.

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

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

**(11) Other Post-Employment Benefits**

**(a) General Information**

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

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

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

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

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

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

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

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

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

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

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

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

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

	<b>2022</b>		
	<b>1% Decrease 1.40%</b>	<b>Current assumption 2.40%</b>	<b>1% Increase 3.40%</b>
Total OPEB liability	\$ 59,710,847	49,746,119	41,941,055
	<b>2021</b>		
	<b>1% Decrease 1.27%</b>	<b>Current assumption 2.27%</b>	<b>1% Increase 3.27%</b>
Total OPEB liability	\$ 59,085,737	49,036,123	41,183,923

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

	<b>2022</b>		
	<b>1% Decrease</b>	<b>Current trend rate</b>	<b>1% Increase</b>
Total OPEB liability	\$ 41,524,732	49,746,119	60,528,441



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	<b>2021</b>		
	<b>1% Decrease</b>	<b>Current trend rate</b>	<b>1% Increase</b>
Total OPEB liability	\$ 40,932,076	49,036,123	59,664,557

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

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

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

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

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

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**(12) Commitments and Contingencies**

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

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

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

**(13) Subsequent Events**

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

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

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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, 2022

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

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

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

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Required Supplemental Information

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

March 31, 2022

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

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

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Required Supplemental Information

Schedule of Changes in Net OPEB Liability and Related Ratios

March 31, 2022

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

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, 2022 and 2021

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

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Other Supplementary Information – Combining Schedule of Net Position

March 31, 2022 and 2021

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

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Other Supplementary Information – Combining Schedule of Revenues, Expenses, and Changes in Net Position  
Years ended March 31, 2022 and 2021

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

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Other Supplementary Information – Combining Schedule of Cash Flows

Years ended March 31, 2022 and 2021

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

See accompanying independent auditors' report.

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

Other Supplementary Information – Combining Schedule of Cash Flows

Years ended March 31, 2022 and 2021

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

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**NYS Environmental Facilities Corporation**  
**Schedule of Debt for Fiscal Year Ended March 31, 2022**  
**State Revolving Fund**

**Schedule 1**

Series	Date of Issuance	Original Par	Outstanding 3/31/21	Redeemed	Issued	Outstanding 3/31/22	Maturity	Interest Rates
2004C	4/7/2004	245,965,000	65,760,000	4,510,000		61,250,000	6/15/2033	3.10%-5.25%
2010A	2/11/2010	132,660,000	-	-		-	6/15/2029	2.00%-5.00%
2010B	2/11/2010	196,460,000	173,635,000	5,650,000		167,985,000	6/15/2039	4.005%-5.807%
2010C	6/24/2010	140,850,000	-	-		-	10/15/2039	3.00%-5.00%
2011A	3/17/2011	132,745,000	2,555,000	2,020,000		535,000	8/15/2022	3.00%-5.00%
2011B	6/17/2011	520,675,000	370,320,000	370,320,000		-	6/15/2041	2.00%-5.00%
2011C	7/21/2011	191,735,000	100,720,000	100,720,000		-	5/15/2041	3.00%-5.00%
2012A	5/31/2012	496,145,000	208,640,000	28,335,000		180,305,000	6/15/2029	2.00%-5.00%
2012B	6/21/2012	88,950,000	46,220,000	6,040,000		40,180,000	2/15/2042	2.00%-5.00%
2012C	6/21/2012	14,440,000	6,735,000	1,210,000		5,525,000	12/15/2029	0.504%-3.684%
2012D	7/12/2012	316,790,000	101,855,000	1,485,000		100,370,000	6/15/2028	2.00%-5.00%
2012E	11/15/2012	98,640,000	63,965,000	4,300,000		59,665,000	11/15/2042	1.00%-5.00%
2012F	11/15/2012	33,465,000	7,840,000	2,505,000		5,335,000	11/15/2024	0.25%-2.806%
2013A	7/11/2013	401,090,000	276,770,000	20,000,000		256,770,000	6/15/2033	3.00%-5.00%
2013B	8/1/2013	166,585,000	116,530,000	7,690,000		108,840,000	5/15/2043	2.00%-5.00%
2014A	3/27/2014	347,385,000	259,010,000	17,380,000		241,630,000	6/15/2034	2.00%-5.00%
2014B	7/2/2014	213,635,000	159,510,000	9,660,000		149,850,000	5/15/2044	1.00%-5.00%
2015A	7/2/2015	219,770,000	181,495,000	8,030,000		173,465,000	6/15/2045	2.00%-5.00%
2015B	8/20/2015	80,520,000	68,275,000	2,235,000		66,040,000	3/15/2045	2.00%-5.00%
2015C	8/20/2015	31,370,000	20,110,000	2,090,000		18,020,000	7/15/2030	.50%-3.82%
2015D	8/20/2015	367,455,000	254,595,000	21,065,000		233,530,000	3/15/2037	2.00%-5.00%
2016A	6/29/2016	500,955,000	449,220,000	15,835,000		433,385,000	6/15/2046	2.00%-5.00%
2016B	9/22/2016	104,415,000	93,205,000	2,610,000		90,595,000	8/15/2046	1.00%-5.00%
2016C	9/22/2016	29,260,000	22,475,000	1,870,000		20,605,000	7/15/2039	.75%-3.113%
2017A	4/13/2017	588,745,000	511,435,000	27,635,000		483,800,000	6/15/2046	2.00%-5.00%
2017B	4/13/2017	336,335,000	287,750,000	18,980,000		268,770,000	6/15/2036	1.271%-3.916%
2017C	11/9/2017	91,580,000	82,410,000	2,575,000		79,835,000	6/15/2047	2.00%-5.00%
2017D	11/9/2017	66,445,000	55,910,000	3,770,000		52,140,000	1/15/2047	1.50%-3.751%
2017E	12/14/2017	337,955,000	323,915,000	5,965,000		317,950,000	6/15/2047	3.00%-5.00%
2018A	8/2/2018	319,715,000	283,505,000	42,190,000		241,315,000	6/15/2037	3.00%-5.00%
2018B	11/29/2018	258,340,000	252,070,000	4,245,000		247,825,000	6/15/2048	3.00%-5.00%
2019A	6/13/2019	120,700,000	114,980,000	2,650,000		112,330,000	2/15/2049	3.00%-5.00%
2019B	10/8/2019	339,475,000	331,945,000	4,725,000		327,220,000	6/15/2049	3.00%-5.00%
2020A	4/8/2020	171,385,000	171,385,000	5,840,000		165,545,000	6/15/2049	4.00%-5.00%
2020B	12/17/2020	123,110,000	123,110,000	4,530,000		118,580,000	10/15/2050	3.00%-5.00%
2021A	6/30/2021	284,745,000	-	-	284,745,000	284,745,000	6/15/2041	3.00%-5.00%
2021B	12/9/2021	144,540,000	-	1,175,000	144,540,000	143,365,000	8/15/2050	4.00%-5.00%
		8,255,030,000	5,587,855,000	759,840,000	429,285,000	5,257,300,000		

**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.

**NYS Environmental Facilities Corporation**  
**Schedule of Debt for Fiscal Year Ended March 31, 2022**  
**Private Activity Bonds**

**Schedule 2**

Series	Borrower	Date of Issuance	Original Par	Outstanding 3/31/21	Redeemed	Issued	Outstanding 3/31/22	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
			105,000,000	105,000,000	-	-	105,000,000	

**Note**

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

**NYS Environmental Facilities Corporation**  
**Detail of Costs of Issuance for Fiscal Year Ended March 31, 2022**

**Schedule 3**

**Series 2021A (NYCMWFA) - Closed 06/30/2021**

<u>Description</u>	<u>Actual</u>
Bond Counsel	130,000.00
Financial Advisor	87,500.00
Printer	1,112.00
Trustee and Counsel	17,176.00
S&P	121,000.00
Moody's	26,372.86
Fitch	67,000.00
	<hr/>
	450,160.86

**Series 2021B (2010 MFI) - Closed 12/09/2021**

<u>Description</u>	<u>Actual</u>
Bond Counsel	225,000.00
Financial Advisor	135,000.00
Printer	186.85
Trustee and Counsel	17,786.00
S&P	74,375.00
Moody's	85,000.00
Fitch	49,000.00
	<hr/>
	586,347.85