



New York State
ENVIRONMENTAL FACILITIES CORPORATION

MATTHEW J. DRISCOLL, *President and CEO*

JUN 24 2014

The Honorable Andrew M. Cuomo
Governor
State of New York

The Honorable John A. DeFrancisco
Chair
Senate Finance Committee

The Honorable Herman D. Farrell, Jr.
Chair
Assembly Ways and Means Committee

The Honorable Robert C. Oaks
Ranking Minority Member
Assembly Ways and Means Committee

The Honorable Thomas P. DiNapoli
Comptroller
State of New York

Mr. David Kidera
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 2013-2014.

Respectfully submitted,

Matthew J. Driscoll
President and CEO

MJD/bwm
Enclosure
c: Commissioner Joseph Martens, Chair



New York State
ENVIRONMENTAL FACILITIES CORPORATION

MATTHEW J. DRISCOLL, *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 ending March 31, 2014 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.

Matthew J. Driscoll
President and CEO

Michael D. Malinoski
Controller and Director of
Corporate Operations

The New York State Environmental Facilities Corporation
Public Authorities Law Compliance Report
State Fiscal Year, April 1st 2013 – March 30, 2014

Our mission is to provide low-cost capital and expert technical assistance for environmental projects in New York State. Our purpose is to help public and private entities comply with federal and State environmental protection and quality requirements in a cost effective manner that advances sustainable growth. We promote innovative environmental technologies and practices in all of our programs.

The Environmental Facilities Corporation (EFC) furthered its mission to improve the quality of life for New Yorkers, reducing and reversing water pollution throughout the State's waterways. The Federal and State Governments have also called on the Corporation to apply its infrastructure finance expertise and transparency best practices to stimulate New York's economy during the economic downturn, playing a central role in implementing the 2009 American Recovery and Reinvestment Act (ARRA).

As a public-benefit corporation, EFC's environmental initiatives extend financial and technical assistance to municipalities, non-profits, and small businesses, ensuring that they meet water and air quality regulations. EFC programs also serve to build lasting relationships with communities, promote innovative infrastructure solutions, and allow staff to accurately project the State's future water infrastructure needs; including: the Clean Water and Drinking Water State Revolving Funds, Green Innovation Grants, New York City Watershed, Small Business Environmental Assistance, Industrial Finance, and Clean Vessel Assistance programs.

Statutory Authority

The statutory basis for substantially all EFC activity stems from Title 12 of Article 5 of the NYS Public Authorities Law (also called the "EFC Act"). 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 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;
- Finance, through the issuance of special obligation revenue bonds under the Industrial Finance Program, water management, solid waste disposal, brownfield clean up, sewage treatment and pollution control projects undertaken by or on behalf of private entities; and
- Render technical advice and assistance to private entities, State agencies, and local government units on sewage treatment and collection, pollution control, recycling, hazardous waste abatement, solid waste disposal and other related subjects.

Board Members

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 of the State, whom the Act also designates as the chairman of the Corporation, the Commissioner of Health of the State and the Secretary of State of the State. The four remaining directors are appointed by the Governor of the State 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, he or she shall hold over and continue to discharge the duties of a director of the Corporation Board until a successor has been chosen and qualified.

Ex-Officio Members:

Joseph Martens, Chair, was nominated by Governor Andrew Cuomo to serve as Commissioner of the Department of Environmental Conservation (DEC) and began his tenure in January 2011.

Since 1998, Mr. Martens has served as President of the Open Space Institute, directing and overseeing land acquisition, sustainable development, historic preservation and farmland protection. Previously, Mr. Martens served as Deputy Secretary to the Governor for Energy and the Environment from 1992-94 and before that Assistant Secretary from 1990-92.

He was Chair of the Board of the Olympic Regional Development Authority, and is currently an ex-officio member of the Authority. He chairs the Adirondack Lakes Survey Corporation, which continuously monitors Adirondack lakes and streams to determine the extent and magnitude of acidification in the Adirondack region. Mr. Martens studied Resource Economics at the University of Massachusetts at Amherst and received an M.S. in Resource Management from the State University of New York, College of Environmental Science and Forestry at Syracuse University.

Dr. Howard A. Zucker is Acting Commissioner of Health for New York State. In his previous role as first deputy commissioner, Dr. Zucker led the state Department of Health's preparedness and response initiatives in natural disasters and emergencies. He worked closely with the New York City Department of Health and Mental Hygiene and other health-related entities in New York City.

A native of the Bronx, Dr. Zucker earned his M.D. from George Washington University School of Medicine at age 22, becoming one of America's youngest doctors. He trained in pediatrics at Johns Hopkins Hospital, anesthesiology at the Hospital of the University of Pennsylvania, pediatric critical care medicine/pediatric anesthesiology at The Children's Hospital of Philadelphia, and pediatric cardiology at Children's Hospital Boston/Harvard Medical School.

Before joining the state Department of Health in September 2013, Dr. Zucker was a professor of Clinical Anesthesiology at Albert Einstein College of Medicine of Yeshiva University and pediatric cardiac anesthesiologist at Montefiore Medical Center in the Bronx. He was also an adjunct professor at Georgetown University Law School, where he taught biosecurity law.

Additionally, Dr. Zucker served as Associate Professor of Clinical Pediatrics and Anesthesiology at Columbia University College of Physicians & Surgeons and pediatric director of the ICU at New York Presbyterian Hospital where he launched the re-structuring of the critical care complex both from a physical environment as well as clinical care delivery standpoint. He has also held academic appointments at Yale University School of Medicine, the National Institutes of Health and as a research affiliate in the Center for Space Research at the Massachusetts Institute of Technology.

Dr. Zucker received his B.S. degree from McGill University. As a student at McGill, he helped design zero-gravity medical experiments that ultimately were conducted aboard several Space Shuttle missions. Today, he serves on the Board of Directors of the nongovernmental organization that oversees the U.S. National Lab on the International Space Station.

Dr. Zucker holds a J.D. from Fordham University Law School and a LL.M. from Columbia Law School. He is a former ABC World News' Person of the Week and Columbia University Pediatrics Teacher of the Year. He has been listed in Best Doctors in America as well as Who's Who in the World, and is a member of the Bar of the U.S. Supreme Court.

Cesar A. Perales, was appointed by Governor Andrew M. Cuomo on March 31, 2011 to lead the Department of State, the oldest agency in New York state government with the exception of the Offices of the Governor and Lieutenant Governor. His nomination was confirmed by the State Senate on June 8, 2011.

Acting Secretary Perales has a 45-year record of dedicated public service, including serving as Assistant Secretary at the U.S. Department of Health and Human Services during the administration of President Jimmy Carter, as Commissioner of the New York State Department of Social Services under former Governor Mario M. Cuomo, and as Deputy Mayor of New York City under Mayor David Dinkins. Mr. Perales is a co-founder of Latino Justice PRLDEF and established the first Brooklyn Legal Services Office.

Perales grew up in New York City and is a resident of Brooklyn. He earned his B.A. from City College of New York and a J.D. from Fordham Law School. He has been widely recognized throughout his distinguished career for his dedication to social justice and civil rights. Among other distinctions, he is the recipient of an Honorary Doctorate from Lehman College, the Thurgood Marshall Award from Seton Hall University Law School, the Dean's Medal from the Fordham University School of Law, and the 2009 Lifetime Achievement Award from the Hispanic National Bar Association.

In leading the New York Department of State, Perales will oversee a multitude of services at one of the state's most diverse agencies including the licensing of 29 professional occupations, the registration of trademarks, filings of certificates of incorporation, and the keeping of the state's most vital records. He also will oversee the Department's coordination with more than 1,500 municipalities throughout the state on matters including economic development, local and regional planning, and revitalization. Perales is the first Secretary of State to guide the new Division of Consumer Protection, the state's top consumer watchdog and think tank.

In addition to the ex-officio members of the Corporation Board, the other present members of the Corporation Board and their occupations are as follows:

Francis T. Corcoran is the President and Chief Administrative Officer at the National Stock Exchange, Inc. (NSX). Mr. Corcoran has been working in the financial/capital markets arena for over 25 years. He has been active on the forefront of businesses that have significantly impacted the capital markets. Before consulting to the CBOE Stock Exchange (CBSX) on its acquisition of the NSX, Mr. Corcoran was Executive Vice President for Perimeter Financial in Canada, responsible for all international asset manager and broker/dealer client relations as they related to the firms multiple ATS market place. Mr. Corcoran is an active participant in both state and local government. As a member of the Advisory Board to the Inspector General of the Metropolitan Transportation Authority, he has served as the Acting Board Chairman since 2003. He is a Board Member of the Metro-North Railroad Commuter Council and the Permanent Citizens Advisory Committee to the MTA. He serves as a Councilman for the Town of Bedford.

Mr. Corcoran is a Member of the Securities Trader Association and the National Corporate Directors Association. He 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, Charlie 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 1998-2004. 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-20th 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.

The ex officio members of the Corporation Board are authorized to designate certain individuals to act in their absence as Directors of the Corporation.

Executive Staff

Matthew J. Driscoll was appointed President and C.E.O. of the New York State Environmental Facilities Corporation on January 1, 2010. From 2001 through 2009, Mr. Driscoll served as the 52nd Mayor of the City of Syracuse. Elected to two terms, Mr. Driscoll's tenure in office was distinguished by his environmental and sustainability initiatives. As Mayor, Mr. Driscoll's action plan for energy conservation and environmental protection earned Syracuse the title of "The Emerald City" and recognition by Popular Science Magazine as one of the Nation's greenest cities (ranked #17). Mr. Driscoll previously served as the President of Common Council (1998-2001), Chair of the Third District Common Councilor, Airport Committee (1995), and Chair of the Second District Common Councilor, Parks and Recreation Committee (1987-1989).

James R. Levine, Esq. was appointed General Counsel to the Corporation in September 2004, and Senior Vice President and General Counsel in March 2006. He began his legal career in 1992 representing the underwriters of the Corporation's bonds and spent the ensuing ten years in private practice in New York City specializing in public and private infrastructure finance. From 2002-2004, Mr. Levine was Legal Counsel to the Air Transportation Stabilization Board in Washington, D.C. Mr. Levine is a graduate of the Maxwell School of Citizenship and Public Affairs (MPA) and Syracuse University College of Law.

Timothy P. Burns, P.E. was appointed Director of Engineering and Program Management in June 2009 after serving as Program Manager for the Metropolitan & Eastern Projects Section since 2003. Prior to joining EFC in February 2002, he was employed by the New York State Department of Environmental Conservation from 1990 to 2002, having served in the Region 2 office (NYC) for 10 years, his last 2 as the Acting Regional Water Engineer. Mr. Burns is a graduate of the State University of New York at Buffalo and possesses a Bachelors of Science degree in Chemical Engineering, and is also a graduate of The City College of New York and possesses a Masters of Engineering degree in Civil Engineering. He is a licensed Professional Engineer in both New York and Vermont.

Michael D. Malinoski was appointed Controller and Director of Corporate Operations in August 2006 after serving as the Corporation's Controller since 1996. From 1992 to 1996, Mr. Malinoski served in the position of Assistant Director of Accounts and Investments. Prior to joining the Corporation, Mr. Malinoski was previously employed for a number of local private sector companies as Controller. Mr. Malinoski possesses a Bachelor of Business Administration degree in Accounting from Siena College.

Sandra L. Allen was appointed to Director of Policy and Planning in November 2009. Prior to joining the Corporation, Ms. Allen directed the Clean and Safe Water Infrastructure Funding Initiative at the New York State Department of Environmental Conservation. Ms. Allen was with the Department from 1993 where she also served as the Director of the Division of Water, the New York City Watershed Coordinator and as Water Program Counsel. She holds a Juris Doctor Degree and a Master of Studies in Environmental Law from Vermont Law School.

Jon R. Sorensen was appointed to Director of Public Information in July 2011. A former state Capitol reporter for the New York Daily News, the Buffalo News and other newspapers, Mr. Sorensen has served in public relations positions for the System Administration of the State University of New York, the New York State Consumer Protection Board, St. Peter's Health Care Services and the New York State Inspector General's office. He has a Bachelor of Science degree from the S.I. Newhouse School of Public Communications at Syracuse University.

Senior Staff

Judith A. Blackwell is a Deputy Counsel in the Legal Division. Ms. Blackwell was appointed on July 7, 2009.

David S. Bradley is the Deputy Director of the Division of Engineering and Program Management. Mr. Bradley was appointed on January 17, 2008.

Tracey Hitchen-Boyd is the Deputy Director of the Finance Division. Ms. Hitchen-Boyd was appointed on September 20, 1993.

Lance C. Crossett is a Deputy Counsel in the Legal Division. Mr. Crossett was appointed on December 18, 1997.

Seth G. Coulter is the Assistant Director of the Finance Division. Mr. Coulter was appointed on May 13, 1996.

Carl T. Ferrentino is a Deputy Counsel in the Legal Division. Mr. Ferrentino was appointed on August 10, 2009.

Michael P. Hale is a Deputy Counsel in the Legal Division. Mr. Hale was appointed on January 8, 2002.

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

Michael R. Roizman is the Assistant Director of Information Technology in the Corporate Operations Division. Mr. Roizman was appointed on November 15, 1994.

Robert H. Sammons is the Assistant to the Director in the Division of Engineering and Program Management. Mr. Sammons was appointed on November 21, 1994.

Board Meeting Attendance

Pursuant to notice to the Directors, a meeting of the Board of Directors was held on the following dates at the Corporation's office at 625 Broadway, 7th Floor, Albany, New York in the Board Room, and by videoconference at One Chase Manhattan Plaza, 42nd Floor, New York, New York and/or videoconference at 340 South Bedford Road, Bedford Corners, New York. The following individuals were present on the dates indicated:

April 11, 2013

Chair Designee	Marc Gerstman
Directors	Francis T. Corcoran (<i>via teleconference; non-voting</i>) Charles Kruzansky (<i>via videoconference</i>)
Designees	Michael J. Cambridge David G. Ashton, III

May 13, 2013

Chair Designee	Marc Gerstman
Director	Francis T. Corcoran (<i>via videoconference</i>) Charles Kruzansky
Designees	Michael J. Cambridge David G. Ashton, III

June 6, 2013

Chair Designee	Marc Gerstman
Director	Francis T. Corcoran (<i>via videoconference</i>)
Designees	Michael J. Cambridge George R. Stafford

June 27, 2013

Chair Designee Marc Gerstman

Directors Francis T. Corcoran (*via videoconference*)
Charles Kruzansky

Designees David G. Ashton, III
Michael J. Cambridge

August 14, 2013

Directors Charles Kruzansky (*Served as Chair Pro Tem*)
Francis T. Corcoran (*via videoconference*)
Vita DeMarchi

Designees David G. Ashton, III
Roger C. Sokol

Absent Joseph Martens, Chair

September 12, 2013

Chair Designee Marc Gerstman

Directors Francis T. Corcoran (*via videoconference*)
Vita DeMarchi
Charles Kruzansky

Designees George R. Stafford
Michael J. Cambridge

October 10, 2013

Chair Designee Marc Gerstman

Directors Francis T. Corcoran (*via videoconference*)
Vita DeMarchi (*via teleconference; non-voting*)
Charles Kruzansky

Designees David G. Ashton, III
Michael J. Cambridge

November 7, 2013

Chair Joseph Martens

Directors Francis T. Corcoran (*via videoconference*)
Vita DeMarchi
Charles Kruzansky

Designees David G. Ashton, III
Michael J. Cambridge

December 12, 2013

Chair Designee Marc Gerstman

Directors Francis T. Corcoran (*by videoconference*)
Vita DeMarchi
Charles Kruzansky

Designees David G. Ashton, III
Roger C. Sokol

January 16, 2014

Chair Designee Marc Gerstman

Directors Francis T. Corcoran (*via teleconference; non-voting*)
Vita DeMarchi
Charles Kruzansky

Designees Michael J. Cambridge
George R. Stafford

February 13, 2014

Chair Designee Marc Gerstman

Directors Francis T. Corcoran (*via videoconference*)
Vita DeMarchi (*via videoconference*)
Charles Kruzansky

Designees David G. Ashton, III
Michael J. Cambridge

March 13, 2014

Chair Designee	Marc Gerstman
Directors	Francis T. Corcoran (by videoconference) Vita DeMarchi (by videoconference; non-voting) Charles Kruzansky
Designee	Michael J. Cambridge

The New York State Revolving Funds

Recognized as the most successful State Revolving Funds in the nation, these programs have provided over \$24 billion in low-cost financing and grants for more than 2,350 water and sewer infrastructure projects in New York.

In the past year, EFC provided over \$2 billion in low cost financing and grants via the Clean Water and Drinking Water State Revolving Funds (CWSRF and DWSRF) to fund water infrastructure projects. The SRFs are underwritten with Federal dollars and matching funds from the State. EFC financing packages often combine this capital and AAA rated bonds, enabling the Corporation to lend at below-market interest rates to municipalities. In the case of communities suffering economic hardship, the SRFs include interest-free long-term loans and grants.

SRF Finance Structures:

- **Leveraged Financing** is provided from the proceeds of bonds that EFC issues to finance eligible projects.
 - Clean Water SRF financings receive a subsidy of one-half of the market interest rate
 - Drinking Water SRF financings receive one-third of the market interest rate
- **Direct Financing** is provided with SRF capitalization grant monies, repayments, and/or interest earnings.
 - These communities may have below average credit ratings or have urgent projects that cannot wait for a pooled financing

Interest rates on SRF financing from April 2013 through March 2014 were 2.04% for Clean Water and 2.11% for Drinking Water financings.

SRF Financing and the Bond Markets

Since 1990, EFC has utilized bond markets to keep the SRFs sustainable and allow for additional State environmental projects, issuing almost \$15.9 billion of tax-exempt and taxable bonds. In 2013-14, EFC closed three bond financings in excess of \$900 million:

- \$401 million in Clean Water and Drinking Water SRF bonds on behalf of the New York City Municipal Water Finance Authority. Proceeds from these bonds financed \$381.8 million for Clean Water SRF projects and \$19.2 million for Drinking Water SRF projects. The true interest cost was 3.76%.

- \$347.3 million in Clean Water and Drinking Water SRF bonds on behalf of the New York City Municipal Water Finance Authority. Proceeds from these bonds financed \$327.6 million for Clean Water SRF projects and \$19.7 million for Drinking Water SRF Projects. The true interest cost was 3.25%.
- \$166.5 million in Clean Water and Drinking Water SRF bonds on behalf of the New York State local governments. Proceeds from these bonds financed \$126.9 million for Clean Water SRF projects and \$39.6 million for Drinking Water SRF projects. The true interest cost was 3.83%.

The Green Innovation Grant Program

EFC launched GIGP Round 5 as part of Governor Cuomo's Consolidated Funding Application (CFA). The CFA allows applicants to seek funding from multiple state agencies through one application. Under GIGP Round 5, \$10.4 million was allocated to 17 green stormwater infrastructure projects across the state fostering projects that spur green innovation, build green capacity, and facilitate technology transfer.

Implementation of the State Smart Growth Public Infrastructure Policy Act

The State Smart Growth Public Infrastructure Policy Act was adopted on August 30, 2010 (Chapter 433 of the laws of 2010). It requires that state infrastructure agencies (including EFC) review each project that they plan to fund and find that, to the extent practicable, the project meets the relevant smart growth criteria. EFC has incorporated the provisions of this law into its procedures and has completed a guidance document and a Smart Growth Assessment for applicants which is now in effect and available on EFC's website.

The American Recovery and Reinvestment Act

Allowed New York State to provide additional funds to subsidize traditional SRF projects, including principal forgiveness, zero-interest loans, and grants to communities, in an effort to generate economic activity.

In February 2009, President Barack Obama signed the American Recovery and Reinvestment Act, a \$790 billion package to stimulate the economy and create job opportunities. ARRA allocated \$4 billion for the nation's Clean Water SRFs with \$2 billion for the Drinking Water SRFs. New York State received approximately \$433 million for the Clean Water SRF and \$87 million for the Drinking Water SRF.

In an effort to stretch New York State's ARRA funds as far as possible, EFC combined ARRA monies with conventional SRF monies to provide ARRA's benefits to as many eligible projects as possible, while maintaining our 50% grant / 50% loan policy. EFC staff is involved in the ongoing program administration of ARRA project disbursement processing and ARRA compliance assistance inspections and outreach.

New York City Watershed Program

Serves watershed areas both east and west of the Hudson River, includes acquisition of land and easements, implements new regulations affecting activities in the watershed, and oversees more than two dozen watershed protection and partnership programs.

EFC operates two separate programs under the New York City Watershed Program umbrella, which consists of the Regulatory Upgrade Program and the New Sewage Treatment Infrastructure Program.

NYC Watershed - Regulatory Upgrade Program

Upgrades existing public and private wastewater treatment plants (WWTPs) located in the New York City watershed to meet Watershed Rules and Regulations. The approximately 100 potentially participating WWTPs are located along the Hudson River.

In 2013-14, EFC disbursed \$12.1 million for upgrades at WWTPs within the New York City watershed. After 17 years, the Regulatory Upgrade Program continues to deliver technical, administrative, and legal services necessary to effectively operate the program.

NYC Watershed - New Sewage Treatment Infrastructure Program (NIP)

Constructs new WWTPs or community septic systems in villages and hamlets west of the Hudson River that may have water quality problems due to failing septic systems.

In the past fiscal year, EFC disbursed \$781 thousand for NIP projects, bringing total program disbursements to \$81.1 million, since 1997. EFC continues to assist the NYC Department of Environmental Protection with negotiating Operation and Maintenance (O&M) Agreements for publicly owned NIP facilities and make payments for costs associated with startup and performance testing for completed projects.

Kensico Septic System Rehabilitation Reimbursement Program

Provides reimbursement to property owners in the Kensico Reservoir Watershed Basin to assist in the cost of rehabilitating their failing septic system.

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 Watershed. To date, the Kensico Program has provided reimbursement to 18 property owners in the amount of \$186,453.

Small Business Environmental Assistance Program (SBEAP)

Provides free, confidential technical assistance to small businesses in New York State to help them comply with Federal or State air emission requirements.

In the past fiscal year, EFC provided SBEAP services to more than 428 small businesses through telephone consultations, on-site visits, workshops and the website. In addition, the Corporation prepared air permit applications and supporting documents for 74 facilities and distributed more than 200 technical outreach materials.

Industrial Finance Program (IFP)

Provides low-cost financing to businesses for environmental infrastructure projects that control pollution and/or help achieve compliance with Federal and State environmental laws, regulations or permits.

IFP low-cost loans are financed from the proceeds of special obligation revenue bonds issued by EFC and are backed by the credit of the borrower. Since 1976, EFC has loaned more than \$804 million to New York businesses for projects that manage waste, control pollution, build drinking water and wastewater treatment facilities to comply with environmental regulations.

Clean Vessel Assistance Program (CVAP)

Protects and improves water quality in New York State's navigable waterways.

CVAP provides funding to marinas, municipalities and non-profits for the installation of pumpout and dump station facilities to help prevent water pollution from recreational boats. EFC continues to reach out to raise awareness among recreational boaters, marinas, municipalities, and non-profits about the CVAP, the role of pumpout facilities in protecting New York's waters, and the location of these services at marinas in the State.

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 program inception in 1992, 971 projects for private/public marina owners and other participants have received approximately \$7.8 million in grant funds. Grants also are available for operation and maintenance costs, and for public education and information.



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

Basic Financial Statements

March 31, 2014 and 2013

(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, 2014 and 2013

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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 Financial Statements

We have audited the accompanying financial statements of the New York State Environmental Facilities Corporation (the Corporation), as of and for the years ended March 31, 2014 and 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New York State Environmental Facilities Corporation, as of March 31, 2014 and 2013, and the changes in financial position and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis and the schedule of funding progress for the Retiree Health Plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information listed in the table of contents 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. Such 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2014 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 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 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

June 26, 2014
Albany, New York

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

Management's Discussion and Analysis (Unaudited)

March 31, 2014 and 2013

Introduction

The New York State Environmental Facilities Corporation (EFC or the Corporation) is a Public Benefit Corporation whose mission is to provide low-cost capital and expert technical assistance for environmental projects in New York State. Its purpose is to help public and private entities comply with Federal and State environmental protection and quality requirements in a cost effective manner that advances sustainable growth. EFC promotes innovative environmental technologies and 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), the Technical Advisory Services Program (TAS), the Small Business Environmental Assistance Program (SBEAP) and the Clean Vessel Assistance Program (CVAP).

The IFP provides tax-exempt and taxable conduit financings to private entities for a variety of environmental purposes. The TAS provides administrative and technical assistance to private and public sector clients to help them comply with environmental laws and regulations. The SBEAP assists business owners in reducing discharges of pollutants into the environment by providing technical guidance. The 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.

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 approximately 95% of the total assets and substantially all of the increase in net position of EFC. These programs help make it financially advantageous for 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 for 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, landfill closures, stormwater management projects, and habitat and natural living resources restoration.

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Drinking Water State Revolving Fund Program

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

American Recovery and Reinvestment Act of 2009

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). The primary purpose of the statute was to stimulate the economy and retain or create jobs through tax relief and infrastructure investment. Nationally, the CWSRF and DWSRF received an additional Federal Fiscal Year 2010 appropriation of \$4.0 billion and \$2.0 billion, respectively. For New York State, the CWSRF and DWSRF received additional capitalization grants of approximately \$432.6 million and \$86.8 million, respectively.

ARRA requires that no less than 50% of the funds be provided as additional subsidization in the form of principal forgiveness, grants, or negative interest loans. EFC intends to originate the majority of ARRA funds as either principal forgiveness or grants.

ARRA imposes certain new requirements for projects that receive ARRA funds. Similar to the CWSRF and DWSRF, assistance will be provided to recipients pursuant to the terms of a Project Finance Agreement.

Hurricane Emergency Loan Program

Pursuant to Governor Cuomo's call for a prompt and coordinated government response, EFC has established a Hurricane Emergency Loan Program (HELP), making available up to \$25.0 million in aggregate loans, with cooperation from the State Departments of Health and Environmental Conservation, the State Emergency Management Office and the U.S. Environmental Protection Agency. HELP was available to provide financial assistance to municipalities with storm-damaged drinking water, storm water and wastewater infrastructure in counties eligible for public and/or private assistance by the Federal Emergency Management Agency pursuant to Disaster Declarations DE-4020 and DR-4031, as each may be amended and/or supplemented from time to time.

During the year ended March 31, 2014, no new loans were originated.

During the year ended March 31, 2013, EFC closed 6 loans that provided financial assistance in the amounts of \$5.6 million to storm damaged municipalities.

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Financial Highlights – 2014

- Total assets decreased by \$236.0 million or 1.8% from \$13.0 billion to \$12.7 billion.
- Net position increased by \$272.7 million or 5.0% from \$5.5 billion to \$5.8 billion.
- Interest subsidy provided decreased by \$4.7 million or 3.4% from \$135.4 million to \$130.7 million.
- Project grant revenues decreased by \$32.1 million or 8.0% from \$400.3 million to \$368.2 million.
- The Corporation issued 3 series of SRF bonds in an aggregate principal amount of \$915.1 million.

Financial Highlights – 2013

- Total assets decreased by \$547.6 million or 4.1% from \$13.5 billion to \$13.0 billion.
- Net position increased by \$291.5 million or 5.6% from \$5.2 billion to \$5.5 billion.
- Interest subsidy provided decreased by \$16.2 million or 10.7% from \$151.6 million to \$135.4 million.
- Project grant revenues increased by \$52.3 million or 15.0% from \$348.0 million to \$400.3 million.
- The Corporation issued 6 series of SRF bonds in an aggregate principal amount of \$1 billion.

SRF Program Activity

A summary of the SRFs' bonds issued is as follows:

Series	2014			
	Closed	CWSRF	DWSRF	Total
2013A	7/11/2013	\$ 381,800,000	19,290,000	401,090,000
2013B	8/1/2013	126,915,000	39,670,000	166,585,000
2014A	3/27/2014	327,675,000	19,710,000	347,385,000
		<u>\$ 836,390,000</u>	<u>78,670,000</u>	<u>915,060,000</u>

Series	2013			
	Closed	CWSRF	DWSRF	Total
2012A	5/31/2012	\$ 468,465,000	27,680,000	496,145,000
2012B	6/21/2012	78,805,000	10,145,000	88,950,000
2012C	6/21/2012	14,440,000	—	14,440,000
2012D	7/12/2012	316,790,000	—	316,790,000
2012E	11/15/2012	90,735,000	7,905,000	98,640,000
2012F	11/15/2012	33,465,000	—	33,465,000
		<u>\$ 1,002,700,000</u>	<u>45,730,000</u>	<u>1,048,430,000</u>

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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:

	2014		
	CWSRF	DWSRF	Total
Leveraged financings	\$ 985,273,510	100,207,661	1,085,481,171
Long term direct financings	251,149,919	19,008,490	270,158,409
Short term direct financings	589,679,875	58,366,181	648,046,056
Grants	38,192,290	13,161,907	51,354,197
	<u>\$ 1,864,295,594</u>	<u>190,744,239</u>	<u>2,055,039,833</u>
	2013		
	CWSRF	DWSRF	Total
Leveraged financings	\$ 1,018,798,214	48,587,646	1,067,385,860
Long term direct financings	389,349,597	30,479,413	419,829,010
Short term direct financings	170,118,683	258,711,988	428,830,671
Grants	16,510,754	10,050,673	26,561,427
	<u>\$ 1,594,777,248</u>	<u>347,829,720</u>	<u>1,942,606,968</u>

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Summary Schedule of Net Position

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

	March 31		
	2014	2013	2012
Assets			
Current assets	\$ 1,704,117,586	2,033,830,974	1,737,062,140
Noncurrent assets	<u>11,026,468,927</u>	<u>10,932,733,966</u>	<u>11,777,054,867</u>
Total assets	<u>\$ 12,730,586,513</u>	<u>12,966,564,940</u>	<u>13,514,117,007</u>
Liabilities and Net Position			
Current liabilities	\$ 590,619,729	633,346,525	702,504,636
Noncurrent liabilities	<u>6,376,970,326</u>	<u>6,842,933,406</u>	<u>7,612,872,337</u>
Total liabilities	<u>6,967,590,055</u>	<u>7,476,279,931</u>	<u>8,315,376,973</u>
Net position			
Restricted	5,755,953,409	5,482,260,275	5,193,201,121
Unrestricted	<u>7,043,049</u>	<u>8,024,734</u>	<u>5,538,913</u>
Total net position	<u>5,762,996,458</u>	<u>5,490,285,009</u>	<u>5,198,740,034</u>
Total liabilities and net position	<u>\$ 12,730,586,513</u>	<u>12,966,564,940</u>	<u>13,514,117,007</u>

Summary Schedule of Revenues, Expenses and Changes in Net Position

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

	March 31		
	2014	2013	2012
Total operating revenues	\$ 338,696,507	349,998,126	391,834,289
Total operating expenses	<u>472,146,753</u>	<u>554,418,626</u>	<u>600,729,970</u>
Operating loss	(133,450,246)	(204,420,500)	(208,895,681)
Nonoperating revenues	429,268,698	520,958,728	535,040,142
Nonoperating expenses	<u>23,107,003</u>	<u>24,993,253</u>	<u>19,031,241</u>
Increase in net position	272,711,449	291,544,975	307,113,220
Beginning net position	<u>5,490,285,009</u>	<u>5,198,740,034</u>	<u>4,891,626,814</u>
Ending net position	<u>\$ 5,762,996,458</u>	<u>5,490,285,009</u>	<u>5,198,740,034</u>

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Statements of Net Position Analysis

2014

The Corporation's total assets decreased \$236.0 million from \$13.0 billion as of March 31, 2013 to \$12.7 billion as of March 31, 2014. The decrease in assets of \$236.0 million was primarily the result of several factors which include a decrease in restricted cash and cash equivalents of \$256.5 million, a decrease in short term financings receivable of \$81.2 million, an increase in direct financings receivable of \$203.4 million, a decrease in bonds receivable of \$244.4 million, a decrease in due from NYS appropriation bonds receivable of \$145.1 million, as well as an increase in investments of \$306.8 million.

2013

The Corporation's total assets decreased \$547.6 million from \$13.5 billion as of March 31, 2012 to \$13.0 billion as of March 31, 2013. The decrease in assets of \$547.6 million was primarily the result of several factors which include an increase in restricted cash and cash equivalents of \$251.9 million, an increase in short term financings receivable of \$209.2 million, an increase in direct financings receivable of \$336.2 million, a decrease in bonds receivable of \$718.1 million, a decrease in due from NYS appropriation bonds receivable of \$91.4 million, as well as a decrease in investments of \$498.4 million.

Changes in Net Position Analysis

2014

During the year ended March 31, 2014, the Corporation recorded an operating loss of \$133.5 million as compared to an operating loss of \$204.4 million during the year ended March 31, 2013. The primary reason for the decrease in operating loss of \$71.0 million was a decrease in the amount of principal forgiveness of \$73.1 million.

The Corporation recorded project grant revenues in its statements of revenues, expenses, and changes in net position of \$368.2 million during the year ended March 31, 2014 as compared to \$400.3 million for the year ended March 31, 2013. The decrease in project grant revenues of \$32.1 million is primarily related to the decreased activity under the ARRA capitalization grants.

The Corporation recorded an increase in net position of \$272.7 million as compared to an increase in net position of \$291.5 million from the year ended March 31, 2013 to March 31, 2014. The decrease in the change in net position of \$18.8 million year over year is directly related to the decrease in project grant revenues discussed above and a decrease of \$59.8 million in investment income offset by a decrease in operating loss as discussed above.

Contributing to the decrease in investment income was an unrealized loss in the change in fair value on our long term investment portfolio of \$31.0 million for the year ended March 31, 2014 as compared to an unrealized gain of \$13.4 million for the year ended March 31, 2013.

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2013

During the year ended March 31, 2013, the Corporation recorded an operating loss of \$204.4 million as compared to an operating loss of \$208.9 million during the year ended March 31, 2012. Contributing to the decrease in operating loss of \$4.5 million was a decrease in interest income on bonds and direct financings receivable of \$42.3 million, a decrease in interest expense on bonds payable of \$51.1 million, a decrease in interest subsidy provided of \$16.2 million, as well as an increase in principal forgiveness of \$19.2 million.

The Corporation recorded project grant revenues in its statements, of revenues, expenses and changes in net position of \$400.3 million during the year ended March 31, 2013 as compared to \$348.0 million for the year ended March 31, 2012. The increase in project grant revenues of \$52.3 million is primarily related to the increased activity under the DWSRF capitalization grants.

The Corporation recorded an increase in net position of \$291.5 million as compared to an increase in net position of \$307.1 million from the year ended March 31, 2012 to March 31, 2013. The decrease in the change in net position of \$15.6 million year over year is directly related to the decrease in operating loss and an increase in project grant revenues, both items are described above. In addition, there was a decrease of \$64.9 million in investment income and an increase in grants disbursed of \$9.0 million.

It should also be noted that EFC recorded an unrealized gain in the change in fair value on our long term investment portfolio of \$13.4 million for the year ended March 31, 2013 as compared to an unrealized gain of \$58.9 million for the year ended March 31, 2012.

Liquidity

For fiscal year 2014/2015, 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. Fees collected in excess of current administrative costs are expected to be sufficient to cover administration costs subsequent to the termination of federal grant funding.

The Corporation issues special obligation bonds under the State Clean Water and Drinking Water Revolving Funds to provide financial assistance to eligible recipients for water pollution and drinking water projects (as outlined in each programs' 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.

**NEW YORK STATE
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Statements of Net Position

March 31, 2014 and 2013

Assets	2014	2013
Current assets:		
Cash and cash equivalents	\$ 13,276,085	12,479,569
Contractual services and fees receivable	519,458	291,430
Restricted assets:		
Cash and cash equivalents	830,180,705	1,086,669,736
Contractual services and fees receivable	125,908	331,685
Interest receivable on bonds and direct financings	88,622,643	99,512,544
Interest receivable on cash and cash equivalents and investments	23,341,024	26,435,549
Annual fees receivable	12,611,193	12,791,836
Prepaid expense	6,032,158	—
Short term financings receivable	225,600,495	277,139,226
Direct financings receivable	60,476,932	55,478,723
Bonds receivable	378,557,604	384,746,431
Due from New York State, appropriation bonds receivable	57,790,000	59,320,000
Other restricted funds	6,983,381	18,634,245
Total current assets	1,704,117,586	2,033,830,974
Noncurrent assets:		
Restricted assets:		
Investments	2,551,926,000	2,245,140,512
Short term financings receivable	240,544,405	270,255,217
Direct financings receivable	1,347,226,448	1,148,806,487
Bonds receivable	6,309,847,074	6,548,076,750
Due from New York State, appropriation bonds receivable	576,925,000	720,455,000
Total noncurrent assets	11,026,468,927	10,932,733,966
Total assets	\$ 12,730,586,513	12,966,564,940
Liabilities and Net Position		
Current liabilities:		
Accrued interest payable on bonds	\$ 82,215,381	88,199,356
Accrued interest subsidy	44,493,494	46,091,723
Bonds payable	310,825,000	350,255,901
Appropriation bonds payable	57,790,000	59,320,000
Other restricted funds	6,983,381	18,634,245
Accounts payable and accrued expenses	9,227,613	1,186,880
Debt service funds payable	30,226,254	8,529,682
Deferred revenue	412,534	391,935
Other liabilities	47,919,534	60,276,301
Other post employment benefits	526,538	460,502
Total current liabilities	590,619,729	633,346,525
Noncurrent liabilities:		
Bonds payable	5,778,376,051	6,104,110,835
Appropriation bonds payable	576,925,000	720,455,000
Deferred revenue	5,866,989	6,121,930
Other post employment benefits	15,802,286	12,245,641
Total noncurrent liabilities	6,376,970,326	6,842,933,406
Total liabilities	6,967,590,055	7,476,279,931
Net position:		
Restricted for revolving loan fund programs	5,755,953,409	5,482,260,275
Unrestricted	7,043,049	8,024,734
Total net position	5,762,996,458	5,490,285,009
Total liabilities and net position	\$ 12,730,586,513	12,966,564,940

See accompanying notes to basic financial statements.

**NEW YORK STATE
ENVIRONMENTAL FACILITIES CORPORATION**
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Statements of Revenues, Expenses, and Changes in Net Position

Years ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Interest income on bonds and direct financings receivable	\$ 317,342,366	320,757,968
Bond financing and administrative fees	13,200,430	14,955,818
Administrative grant revenues	7,359,708	11,386,089
Advisory service fees	773,505	850,156
Other revenues	20,498	2,048,095
Total operating revenues	<u>338,696,507</u>	<u>349,998,126</u>
Operating expenses:		
Interest expense on bonds payable	282,424,612	289,041,813
Interest subsidy provided	130,743,654	135,410,755
Principal forgiveness	35,201,397	108,269,335
Administrative costs	23,777,090	21,696,723
Total operating expenses	<u>472,146,753</u>	<u>554,418,626</u>
Operating loss	<u>(133,450,246)</u>	<u>(204,420,500)</u>
Nonoperating revenues:		
Project grant revenues	368,181,841	400,334,884
Investment income	60,040,183	119,852,652
State assistance payments revenue	1,046,674	771,192
Total nonoperating revenues	<u>429,268,698</u>	<u>520,958,728</u>
Nonoperating expenses:		
Grants disbursed	22,060,329	24,222,061
State assistance payments expense	1,046,674	771,192
Total nonoperating expenses	<u>23,107,003</u>	<u>24,993,253</u>
Increase in net position	272,711,449	291,544,975
Beginning net position	<u>5,490,285,009</u>	<u>5,198,740,034</u>
Ending net position	<u>\$ 5,762,996,458</u>	<u>5,490,285,009</u>

See accompanying notes to basic financial statements.

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Statements of Cash Flows

Years ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Bond financing and administrative fees	\$ 21,278,191	29,829,429
Personal services expense	(8,379,171)	(7,549,098)
Fringe benefits expense	(4,093,020)	(3,639,325)
Other administrative expenses	358,515	(7,472,719)
Prepaid expense	(6,032,158)	—
Yield reduction received	1,285,349	2,666,617
Yield reduction paid	(18,161,117)	(5,952,473)
Other, net	4,519,000	4,420,939
	<u>(9,224,411)</u>	<u>12,303,370</u>
Cash flows from noncapital financing activities:		
Proceeds from bonds issued	915,060,000	1,067,385,860
Payments on bonds payable	(1,280,225,685)	(1,785,514,288)
Interest paid on bonds payable	(288,408,588)	(302,051,329)
New York State appropriation bond payments received	145,060,000	91,400,000
Payments on New York State appropriation bonds	(145,060,000)	(91,400,000)
Grants disbursed	(22,060,329)	(24,222,061)
Contributions received from the U.S. Environmental Protection Agency	316,064,227	368,761,924
Contributions received from New York State	52,117,614	31,572,959
	<u>(307,452,761)</u>	<u>(644,066,935)</u>
Cash flows from investing activities:		
Net proceeds from maturities of investments	(306,785,488)	498,372,607
Interest income on investments	63,134,709	128,638,328
Bonds purchased	(1,085,481,171)	(1,067,385,860)
Bonds repayments received	1,329,899,674	1,785,514,288
Short term financing disbursements	(373,101,623)	(510,542,974)
Short term financing repayments received	485,667,835	268,930,287
Principal forgiveness repayments	(66,518,065)	(75,894,515)
Direct financings issued	(270,158,409)	(422,826,747)
Direct financing repayments received	66,740,239	86,666,391
Interest income on bonds and direct financings receivable	328,232,267	330,145,090
Interest subsidy provided	(132,341,883)	(141,131,448)
Debt service funds received	26,704,926	8,822,177
Debt service funds paid	(5,008,354)	(3,983,744)
	<u>60,984,657</u>	<u>885,323,880</u>
Net (decrease) increase in cash and cash equivalents	(255,692,515)	253,560,315
Cash and cash equivalents, beginning of year	<u>1,099,149,305</u>	<u>845,588,990</u>
Cash and cash equivalents, end of year	<u>\$ 843,456,790</u>	<u>1,099,149,305</u>

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Statements of Cash Flows

Years ended March 31, 2014 and 2013

	2014	2013
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (133,450,246)	(204,420,500)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Interest income on bonds and direct financings receivable	(317,342,366)	(320,757,968)
Interest expense	282,424,612	289,041,813
Principal forgiveness	35,201,397	108,269,335
Interest subsidy provided	130,743,654	135,410,755
Changes in assets and liabilities that (use) provide cash:		
Contractual services and fees receivable	(22,252)	1,589,577
Annual fees receivable	180,643	(801,520)
Prepaid expense	(6,032,158)	—
Accounts payable and accrued expenses	8,040,733	(476,569)
Deferred revenue	(234,342)	(198,785)
Other liabilities	(12,356,767)	1,135,082
Other post employment benefits	3,622,681	3,512,150
Net cash (used in) provided by operating activities	\$ (9,224,411)	12,303,370

See accompanying notes to basic 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 assisting businesses finance environmental projects through the Industrial Finance Program (IFP); helping municipalities, State agencies and businesses comply with environmental laws and regulations through various programs administered under the Technical Advisory Services Program (TAS); and the administration of the Clean Water State Revolving Fund program (CWSRF) and the Drinking Water State Revolving Fund program (DWSRF).

The IFP provides tax-exempt and taxable conduit financings to private entities for a variety of environmental purposes.

The TAS provides administrative and technical assistance to private and public sector clients to help them comply with environmental laws and regulations through the following programs:

A multi-year contract with the New York City Department of Environmental Protection (DEP) to administer two Watershed Programs. Technical, financial and legal assistance is provided to DEP's Regulatory Upgrade Program and the New Sewage Treatment Infrastructure Program; the Kensico Septic 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 Watershed Basin; the Small Business Environmental Assistance Program (SBEAP) assists business owners in reducing discharges of pollutants into the environment by providing technical guidance; 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 pumpout stations.

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

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forgiveness, as well as hardship grants for publicly and privately owned community water system projects that provide safe, affordable drinking water.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared in conformity with 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 Corporation applies all Financial Accounting Standards Board statements and interpretations issued on or before November 30, 1989 unless these standards and interpretations conflict with or contradict the GASB pronouncements. The operations of the Corporation are accounted for using the accrual basis of accounting in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The more significant accounting policies are described below.

(b) Revenue Recognition and Accounts Receivable

The Corporation recognizes revenue when earned. Project grant revenues under capitalization grants for the operation of the State Revolving Fund (SRF) programs are recognized when reimbursable expenses are incurred for financings originated. Fees for services are recognized, and deferred fees for services are amortized, as the related expense of the Corporation is incurred over the life of the related financing.

(c) Cash and Cash Equivalents

EFC considers certificates of deposit, repurchase agreements, money market funds and U.S. Treasury Bills, with remaining maturities of three months or less at the time of purchase, to be cash equivalents. At March 31, 2014 and 2013, the cash and cash equivalents, excluding U.S. Treasury Bills and U.S. Treasury Money Market Funds, 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, 2014, EFC's guaranteed investment contracts require collateral ranging from 113% to 163% of the investment

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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), Inter-American Development Bank (IADB) and The Nature Conservancy (TNC)) are considered nonparticipating contracts and are therefore recorded at cost. Municipal obligations are recorded at fair value. All other investments 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.

(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.

(f) Arbitrage and Yield Reduction Liability

The Corporation estimates its arbitrage and yield reduction liabilities. At March 31, 2014 and 2013 such amounts were \$24.0 million and \$40.9 million, respectively, and are included on the statements of net position in the caption "other liabilities". While management believes that these amounts are adequate, the actual liabilities could be in excess of, or less than, the amount indicated in the financial statements. Generally, a calculation is performed by an outside consultant for each new bond issue during the third bond year and then every fifth bond year through final maturity, at which time management refines its estimate. 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.

(g) 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 clean and drinking water State Revolving Fund 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 used first.

(h) 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

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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 nonexchange revenues. Nonoperating expenses include program grants and other nonexchange expenses.

(3) State Revolving Fund

The Federal Water Quality Act of 1987 established a revolving fund program. In this regard, the New York State Water Pollution Control Revolving Fund, or CWSRF program, was established by New York State in 1989 to provide financial assistance to eligible recipient entities in connection with the construction of water pollution control facilities. EFC has been designated to be the custodian of the CWSRF in New York State. The program is administered jointly by EFC and the New York State Department of Environmental Conservation (DEC).

A DWSRF was created as a result of New York State's enactment of Chapter 413 of the Laws of 1996 (Clean Water/Clean Air Bond Act) and passage of the 1996 Amendments to the Safe Drinking Water Act by the U.S. Congress. The DWSRF provides a financial incentive for 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).

The American Recovery and Reinvestment Act of 2009 (ARRA) provided additional funds to the CWSRF and DWSRF to help stimulate the economy through infrastructure investment. ARRA requires that no less than 50% of the funds be provided as additional subsidization in the form of principal forgiveness, grants, or negative interest loans.

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

SRF program capitalization grants are issued from the U.S. Environmental Protection Agency (USEPA) to New York State, for which the State is required to provide 20% in matching funds. New York State distributes these Federal and State moneys to DEC and DOH to administer the programs. DEC and DOH 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, from the proceeds from the issuance of bonds, through the use of guarantees, 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 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 U.S. Environmental Protection Agency and New York State are drawn and

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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. As these funds are received by the recipient an amount equal to one-third or one-half of the expenditure is transferred from the unallocated equity account to the debt service reserve fund for the recipient. As a recipient repays its financing, a proportionate amount in the applicable debt service reserve fund will be redeposited in the unallocated equity account of the appropriate SRF. The earnings on the debt service reserve funds are utilized as subsidy to reduce the interest costs that recipients pay on their financing.

Committed Subsidies: In certain financings, the SRF provides 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, we utilize other available SRF monies to provide recipients with an interest subsidy generally comparable to the subsidy that we provide from earnings on reserve allocations.

(4) Cash and Cash Equivalents and Investments

EFC's cash and cash equivalents and investments include cash and cash equivalents and investments that are insured or collateralized and that are backed by the full faith and credit of the Federal government.

As of March 31, 2014, the Corporation had the following investments, credit risks and maturities:

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	\$ 678,675,152	36,020,993	154,593,127	170,166,798	317,894,234
Municipal obligations	BBB – AAA	751,993,679	42,803,312	126,631,534	85,566,957	496,991,876
Structured debt obligations	Aa2	47,978,252	2,625,443	27,794,165	17,558,644	—
U.S. government backed:						
U.S. Treasury bills		1,334,764,213	1,334,764,213	—	—	—
State and local government series		6,876,551	2,330,832	2,291,553	1,231,666	1,022,500
Structured debt obligations		519,315,342	35,704,002	172,459,101	152,230,551	158,921,688
Total		\$ 3,339,603,189	1,454,248,795	483,769,480	426,754,616	974,830,298

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As of March 31, 2013, the Corporation had the following investments, credit risks and maturities:

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	\$ 899,349,610	75,520,289	193,933,035	206,870,140	423,026,146
Municipal obligations	BBB – AAA	742,881,381	40,663,526	109,915,705	72,322,837	519,979,313
Structured debt obligations	Aa2	50,000,000	2,021,748	24,341,275	19,196,664	4,440,313
U.S. government backed:						
U.S. Treasury bills		1,006,877,586	1,006,877,586	—	—	—
State and local government series		18,505,376	2,753,830	5,490,830	4,908,216	5,352,500
Structured debt obligations		531,437,679	12,122,337	173,045,982	162,672,591	183,596,769
Total		<u>\$ 3,249,051,632</u>	<u>1,139,959,316</u>	<u>506,726,827</u>	<u>465,970,448</u>	<u>1,136,395,041</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. The Corporation's policy is to follow State law which limits the investments that the Corporation can make and generally limits 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 deposits and 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 deposits or investment securities that are in the possession of an outside party. In order to manage this risk the Corporation's deposits or investments are collateralized and held by a third party.

Other than U.S. government and U.S. Government Guaranteed 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 program's 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.

As of March 31, 2014, the Corporation had five providers of guaranteed investment contracts, four of which were obligated for more than 5% of the total investment portfolio. The four providers were Societe General with \$258.4 million or 38% of the portfolio, JP Morgan Chase with \$226.1 million or 33% of the portfolio, Bank of America with \$146.5 million or 22% of the portfolio, and Citigroup with \$43.1 million or 6% of the portfolio.

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As of March 31, 2013, the Corporation had five providers of guaranteed investment contracts, three of which were obligated for more than 5% of the total investment portfolio. The three providers were Societe General with \$413.7 million or 46% of the portfolio, JP Morgan Chase with \$238.2 million or 27% of the portfolio, and Bank of America with \$191.1 million or 21% of the portfolio.

(5) Short Term Financings Receivable

Short term financings receivable are provided with SRF capitalization grant monies, repayments, and/or interest earnings. This program assists eligible recipients with cash flow needs through project design and construction. The program provides short term (generally up to three 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.

Under the American Recovery and Reinvestment Act of 2009 (ARRA) the CWSRF and DWSRF are required to offer additional subsidization of no less than 50% in the form of principal forgiveness, grants, or negative interest loans. EFC has established a reserve against receivables based on amounts disbursed and categorized as subject to principal forgiveness.

Short term financings receivable is comprised of the following at March 31, 2014:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Receivable subject to principal forgiveness	\$ 298,568,529	9,318,169	307,886,698
Other short term financing receivable	<u>356,005,855</u>	<u>110,139,045</u>	<u>466,144,900</u>
	654,574,384	119,457,214	774,031,598
Less reserve for principal forgiveness	<u>(298,568,529)</u>	<u>(9,318,169)</u>	<u>(307,886,698)</u>
Short term financing receivable, net of reserve for principal forgiveness	<u>\$ 356,005,855</u>	<u>110,139,045</u>	<u>466,144,900</u>

Short term financings receivable is comprised of the following at March 31, 2013:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Receivable subject to principal forgiveness	\$ 303,936,816	35,266,550	339,203,366
Other short term financing receivable	<u>216,474,395</u>	<u>330,920,048</u>	<u>547,394,443</u>
	520,411,211	366,186,598	886,597,809
Less reserve for principal forgiveness	<u>(303,936,816)</u>	<u>(35,266,550)</u>	<u>(339,203,366)</u>
Short term financing receivable, net of reserve for principal forgiveness	<u>\$ 216,474,395</u>	<u>330,920,048</u>	<u>547,394,443</u>

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Other short term financings receivable mature as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Year ending March 31:			
2015	\$ 171,389,525	54,210,970	225,600,495
2016	52,618,713	35,790,895	88,409,608
2017	131,997,617	20,137,180	152,134,797
	<u>\$ 356,005,855</u>	<u>110,139,045</u>	<u>466,144,900</u>

(6) Direct Financings Receivable

Direct financings receivable are provided with SRF capitalization grant monies, repayments, interest earnings and/or administrative fees. Direct financings receivable have been issued with interest rates that range from 0% to 5.6% and mature through the year 2043.

Direct financings receivable mature as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Year ending March 31:			
2015	\$ 39,727,545	20,749,387	60,476,932
2016	39,882,041	21,861,281	61,743,322
2017	45,830,774	21,880,107	67,710,881
2018	39,962,060	21,887,435	61,849,495
2019	35,636,632	21,838,684	57,475,316
2020–2024	203,508,186	101,667,785	305,175,971
2025–2029	203,276,032	76,688,661	279,964,693
2030–2034	218,930,018	64,099,545	283,029,563
2035–2039	116,650,115	42,509,907	159,160,022
2040–2044	63,688,315	7,428,870	71,117,185
	<u>\$ 1,007,091,718</u>	<u>400,611,662</u>	<u>1,407,703,380</u>

(7) SRF Bonds Receivable and Bonds Payable

EFC issues special obligation bonds under the SRF programs and in certain 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 its bonds in the principal amount of its financing to EFC. These financing agreements will 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 bonds. EFC's bonds are issued subject to the terms of a Master

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Trust Agreement, various Financing Indentures of Trusts, and a Supplemental Financing Indenture of Trust that is issued for each bond issue.

Bond proceeds net of issuance costs, and in certain 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 \$81.7 million at March 31, 2014 and \$67.6 million at March 31, 2013.

The bonds of each series are not general obligations of EFC. 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 equal to 100% of the principal amount to be redeemed.

The following is a schedule of CWSRF bonds receivable outstanding at March 31, 2014 and March 31, 2013:

Bond issue	Range of interest rates	Year of maturity	March 31	
			2014	2013
Series 1991E, 12/1/91	6.50%	2014	\$ 89,742	288,946
Series 1993B, 9/15/93	5.20	2014	295,000	2,140,000
Series 1994A, 3/15/94		2013	—	12,755,000
Series 1994E, 12/1/94	6.875	2016	4,410,000	8,215,000
Series 2002K, 11/14/02	2.00 – 5.00	2028	130,835,000	160,630,000
Series 2002L, 11/26/02	4.00 – 5.00	2015	11,310,000	17,602,000
Series 2003B, 3/20/03	5.25	2015	8,340,000	12,290,000
Series 2003C, 3/20/03	5.25	2015	4,255,000	6,255,000
Series 2003E, 4/23/03		2032	—	208,688,676
Series 2003F, 7/24/03		2033	—	50,365,000
Series 2003G, 9/25/03		2033	—	14,540,000
Series 2003I, 10/9/03		2033	—	217,878,376
Series 2004B, 3/4/04	4.00 – 5.00	2033	37,240,000	40,430,000
Series 2004C, 4/7/04	4.438 – 5.125	2033	101,274,722	187,954,444
Series 2004D, 7/22/04	4.00 – 5.00	2034	107,185,000	112,880,000
Series 2004E, 8/11/04		2034	—	170,575,834
Series 2004F, 11/30/04	4.265 – 5.00	2034	148,939,797	297,599,594
Series 2005A, 3/3/05	3.40 – 5.00	2034	84,215,000	89,585,000
Series 2005B, 7/28/05	3.40 – 5.50	2035	74,820,000	79,165,000
Series 2005C, 10/12/05	4.213 – 5.00	2035	141,723,696	146,748,044

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Bond issue	Range of interest rates	Year of maturity	March 31	
			2014	2013
Series 2005D, 11/15/05	3.75 – 5.00%	2024	\$ 12,270,000	17,575,000
Series 2006A, 6/22/06	4.276 – 5.43	2036	151,802,292	156,778,057
Series 2006B, 6/22/06	4.272 – 5.50	2036	194,127,151	200,417,868
Series 2006C, 7/27/06	4.00 – 5.00	2036	110,015,000	114,755,000
Series 2007A, 3/27/07	3.625 – 5.00	2036	172,245,695	178,339,260
Series 2007B, 3/27/07	4.50 – 5.00	2036	219,942,989	227,555,652
Series 2007C, 5/15/07	4.125 – 5.00	2024	135,680,000	149,330,000
Series 2007D, 7/26/07	4.00 – 5.00	2037	86,440,000	90,935,000
Series 2008A, 5/22/08	4.625 – 5.00	2037	115,530,145	119,273,174
Series 2008B, 5/22/08	4.00 – 5.00	2037	147,948,935	152,830,722
Series 2009A, 4/2/09	5.00 – 5.25	2038	282,976,350	289,384,075
Series 2010A, 2/11/10	3.50 – 5.00	2029	99,085,552	104,320,644
Series 2010B, 2/11/10	5.707 – 5.807	2039	111,440,000	111,440,000
Series 2010C, 6/24/10	3.00 – 5.00	2039	129,875,000	72,840,000
Series 2011A, 3/17/11	3.00 – 5.00	2021	74,010,000	45,473,917
Series 2011B, 6/17/11	4.00 – 5.00	2041	351,961,306	363,068,664
Series 2011C, 7/21/11	3.00 – 5.00	2041	165,139,000	108,191,649
Series 2012A, 5/31/12	2.00 – 5.00	2029	439,940,000	468,465,000
Series 2012B, 6/21/12	2.00 – 5.00	2042	156,414,444	86,758,061
Series 2012C, 6/21/12	0.599 – 3.684	2029	24,860,000	12,960,000
Series 2012D, 7/12/12	2.00 – 5.00	2028	310,950,000	316,790,000
Series 2012E, 11/15/12	2.00 – 5.00	2042	179,104,328	101,084,084
Series 2012F, 11/15/12	0.52 – 2.806	2024	52,089,000	31,145,333
Series 2013A, 7/11/13	3.00 – 5.00	2033	381,800,000	—
Series 2013B, 8/1/13	2.00 – 5.00	2043	275,798,510	—
Series 2014A, 3/27/14	2.00 – 5.00	2034	327,675,000	—
			<u>\$ 5,564,053,654</u>	<u>5,356,297,074</u>
Beginning balance			\$ 5,735,069,404	5,996,429,768
Reclassification of Direct				
Financings			—	378,772,330
Bonds issued			985,273,510	1,018,798,214
Bonds retired			<u>(1,156,289,260)</u>	<u>(1,658,930,908)</u>
Ending balance			<u>\$ 5,564,053,654</u>	<u>5,735,069,404</u>

Included in CWSRF bonds payable are unamortized bond premiums/discounts of \$92,558,288 at March 31, 2014 and \$98,152,074 at March 31, 2013.

The New York City Municipal Water Finance Authority makes up 72% of the CWSRF bonds receivable at March 31, 2014 and 80% at March 31, 2013.

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The following is a schedule of DWSRF bonds receivable outstanding at March 31, 2014 and March 31, 2013:

Bond issue	Range of interest rates	Year of maturity	March 31	
			2014	2013
Series 2003E, 4/23/03	4.00 – 5.00%	2026	\$ —	13,492,502
Series 2003F, 7/24/03	3.75 – 5.00	2024	—	34,905,000
Series 2003G, 9/25/03	4.50 – 5.00	2023	—	5,580,000
Series 2003H, 9/25/03	4.66 – 5.59	2019	—	7,810,000
Series 2003I, 10/9/03	3.50 – 5.00	2026	—	14,563,324
Series 2004B, 3/4/04	3.00 – 5.00	2023	2,030,000	2,205,000
Series 2004C, 4/7/04	4.50 – 5.25	2026	5,763,808	12,807,617
Series 2004D, 7/22/04	3.50 – 5.00	2026	25,315,000	27,185,000
Series 2004A, 8/3/04	5.40	2021	4,095,000	4,095,000
Series 2004E, 8/11/04	3.30 – 5.00	2026	—	12,195,652
Series 2004F, 11/30/04	5.00 – 5.25	2026	4,136,330	11,432,660
Series 2005A, 3/3/05	3.50 – 5.00	2025	3,700,000	3,970,000
Series 2005B, 7/28/05	3.375 – 5.50	2025	5,190,000	5,530,000
Series 2005C, 10/12/05	4.25 – 5.00	2027	35,746,517	38,204,776
Series 2006A, 6/22/06	4.75 – 5.50	2028	14,787,044	15,649,392
Series 2006B, 6/22/06	4.625 – 5.50	2028	18,847,180	19,961,240
Series 2006C, 7/27/06	4.00 – 5.00	2028	37,180,000	39,260,000
Series 2007A, 3/27/07	3.625 – 5.00	2029	17,097,429	18,096,572
Series 2007B, 3/27/07	4.50 – 5.00	2029	21,927,453	23,161,604
Series 2007D, 7/26/07	4.00 – 5.00	2036	28,115,000	29,315,000
Series 2008A, 5/22/08	4.625 – 5.00	2030	96,034,450	105,617,660
Series 2008B, 5/22/08	4.00 – 5.00	2030	47,257,010	49,607,412
Series 2009A, 4/2/09	4.00 – 5.25	2031	62,664,418	65,361,821
Series 2010A, 2/11/10	4.00 – 5.00	2016	13,357,375	17,613,616
Series 2010B, 2/11/10	4.005 – 5.707	2029	85,020,000	85,020,000
Series 2010C, 6/24/10	3.00 – 5.00	2039	76,195,000	56,146,637
Series 2011A, 3/17/11	3.00 – 5.00	2022	82,510,668	63,194,032
Series 2011B, 6/17/11	2.00 – 5.00	2031	173,493,353	182,031,532
Series 2011C, 7/21/11	3.00 – 5.00	2041	111,873,873	85,835,116
Series 2012A, 5/31/12	2.00 – 5.00	2022	24,850,000	27,680,000
Series 2012B, 6/21/12	2.00 – 5.00	2032	13,742,435	11,202,167
Series 2012E, 11/15/12	2.00 – 5.00	2032	13,214,020	9,339,330
Series 2013A, 7/11/13	3.00 – 5.00	2026	19,290,000	—
Series 2013B, 8/1/13	2.00 – 5.00	2042	61,207,661	—
Series 2014A, 3/27/14	2.00 – 5.00	2026	19,710,000	—
			<u>\$ 1,124,351,024</u>	<u>1,098,069,662</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>2014</u>	<u>2013</u>
Beginning balance			\$ 1,197,753,777	1,176,065,396
Reclassification of Direct Financings			—	99,684,115
Bonds issued			100,207,661	48,587,646
Bonds retired			<u>(173,610,414)</u>	<u>(126,583,380)</u>
Ending balance			<u>\$ 1,124,351,024</u>	<u>1,197,753,777</u>

Included in DWSRF bonds payable are unamortized bond premiums/discounts of \$42,202,763 at March 31, 2014 and \$46,359,662 at March 31, 2013.

The New York City Municipal Water Finance Authority makes up 59% of the DWSRF bonds receivable at March 31, 2014 and 65% at March 31, 2013.

Defeased in-substance debt outstanding which is no longer recorded on EFC's statements of net position amounted to \$521.8 million at March 31, 2014 and \$143.0 million at March 31, 2013.

In fiscal 2014, the Corporation issued \$915.1 million of State Revolving Funds Revenue Bonds. A portion of the proceeds, including a premium of \$108.4 million, were used to redeem eight series of previously issued SRF bonds which totaled \$946.7 million. As a result of refinancing, the underlying borrowers in these transactions will realize \$84.4 million in present value savings. The remaining bond proceeds were used to provide financial assistance to eligible recipients.

In fiscal 2013, the Corporation issued \$1 billion of State Revolving Funds Revenue Bonds. A portion of the proceeds, including a premium of \$93.2 million, were used to redeem sixteen series of previously issued SRF bonds which totaled \$673.8 million. As a result of refinancing, the underlying borrowers in these transactions will realize \$94.9 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 ending March 31:			
2015	\$ 297,443,685	81,113,919	378,557,604
2016	293,899,043	82,753,589	376,652,632
2017	289,111,686	82,442,448	371,554,134
2018	290,188,538	83,183,811	373,372,349
2019	288,352,661	84,585,667	372,938,328
2020–2024	1,348,021,081	335,516,590	1,683,537,671
2025–2029	1,132,410,555	234,495,000	1,366,905,555
2030–2034	976,386,405	108,005,000	1,084,391,405
2035–2039	544,180,000	24,520,000	568,700,000
2040–2044	104,060,000	7,735,000	111,795,000
	<u>\$ 5,564,053,654</u>	<u>1,124,351,024</u>	<u>6,688,404,678</u>

Interest payments on bonds receivable are as follows:

	<u>CWSRF</u>	<u>DWSRF</u>	<u>Total</u>
Year ending March 31:			
2015	\$ 239,511,313	42,063,312	281,574,625
2016	230,358,219	39,891,044	270,249,263
2017	218,888,659	37,469,354	256,358,013
2018	209,259,440	35,075,183	244,334,623
2019	195,839,723	32,085,616	227,925,339
2020–2024	805,516,053	122,045,460	927,561,513
2025–2029	519,069,648	61,400,879	580,470,527
2030–2034	273,056,322	15,653,191	288,709,513
2035–2039	81,251,319	4,830,450	86,081,769
2040–2044	8,390,131	689,577	9,079,708
	<u>\$ 2,781,140,827</u>	<u>391,204,066</u>	<u>3,172,344,893</u>

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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, 2014	\$ 5,564,053,654	1,124,351,024	6,688,404,678
Equity funded bonds receivable	<u>(491,435,366)</u>	<u>(107,768,261)</u>	<u>(599,203,627)</u>
Bonds payable, March 31, 2014	<u>\$ 5,072,618,288</u>	<u>1,016,582,763</u>	<u>6,089,201,051</u>
Bonds receivable, March 31, 2013	\$ 5,735,069,404	1,197,753,777	6,932,823,181
Equity funded bonds receivable	<u>(378,772,330)</u>	<u>(99,684,115)</u>	<u>(478,456,445)</u>
Bonds payable, March 31, 2013	<u>\$ 5,356,297,074</u>	<u>1,098,069,662</u>	<u>6,454,366,736</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, 2014 and 2013.

(8) Other Restricted Funds

EFC acts as a custodian for various funds/programs under other restricted funds. At March 31, 2014 and 2013, EFC's other restricted funds were \$7.0 million and \$18.6 million, respectively. A description of each of the funds is as follows:

DEC Escrow Fund (DEC): 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.

New Sewage Treatment Infrastructure Fund (NSTI): This fund is utilized to account for all transactions which occur relative to the agreement among the New York City Department of Environmental Protection, EFC, and the Catskill Watershed Corporation to administer the NSTI Program.

Kensico Septic 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 Kensico 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, 2014 and 2013:

	<u>DEC</u>	<u>WWTP</u>	<u>NSTI</u>	<u>KENSICO</u>	<u>Total</u>
Balance, March 31, 2013	\$ 3,742,165	11,951,378	404,927	2,535,775	18,634,245
Receipts:					
Program advances	—	1,826,167	514,028	—	2,340,195
Interest earnings	2,990	6,512	228	2,151	11,881
Total receipts	<u>2,990</u>	<u>1,832,679</u>	<u>514,256</u>	<u>2,151</u>	<u>2,352,076</u>
Disbursements:					
Project expenses	563,418	12,126,561	781,109	35,689	13,506,777
Administrative expenses	18,000	459,037	8,684	10,442	496,163
Total disbursements	<u>581,418</u>	<u>12,585,598</u>	<u>789,793</u>	<u>46,131</u>	<u>14,002,940</u>
Balance, March 31, 2014	<u>\$ 3,163,737</u>	<u>1,198,459</u>	<u>129,390</u>	<u>2,491,795</u>	<u>6,983,381</u>
	<u>DEC</u>	<u>WWTP</u>	<u>NSTI</u>	<u>KENSICO</u>	<u>Total</u>
Balance, March 31, 2012	\$ 26,322,226	8,395,518	928,503	2,636,714	38,282,961
Receipts:					
Program advances	—	14,651,622	310,703	—	14,962,325
Interest earnings	25,742	11,644	969	3,871	42,226
Total receipts	<u>25,742</u>	<u>14,663,266</u>	<u>311,672</u>	<u>3,871</u>	<u>15,004,551</u>
Disbursements:					
Project expenses	22,581,803	10,454,530	824,449	86,204	33,946,986
Administrative expenses	24,000	652,876	10,799	18,606	706,281
Total disbursements	<u>22,605,803</u>	<u>11,107,406</u>	<u>835,248</u>	<u>104,810</u>	<u>34,653,267</u>
Balance, March 31, 2013	<u>\$ 3,742,165</u>	<u>11,951,378</u>	<u>404,927</u>	<u>2,535,775</u>	<u>18,634,245</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 for Private Activity Bonds are considered conduit debt and not included as obligations in the accompanying financial statements of EFC.

Private Activity Bonds: Under the terms of the agreements, EFC issues bonds on behalf of private sector companies for use in the construction or refinancing of certain environmental projects. The bonds issued are special obligation revenue bonds payable solely from funds provided by the companies and do not

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constitute a liability of EFC or New York State. Private Activity Bonds outstanding totaled \$132.2 million at March 31, 2014 and \$146.9 million at March 31, 2013.

State Appropriation Bonds: Under these agreements, EFC issues bonds on behalf of the State to provide funding for certain programs. The bonds issued are special obligation bonds, payable solely from and collateralized by, payments from the State under various agreements. The obligations of the State to make payments under these agreements are subject to, and dependent upon, the making of annual appropriations by the State Legislature. The bonds are not general obligations of EFC and do not constitute an indebtedness against the general credit of the Corporation. State Appropriation Bonds outstanding totaled \$634.7 million at March 31, 2014 and \$779.8 million at March 31, 2013. This amount is reported as appropriation bonds payable and receivable from the State of New York in the accompanying financial statements of EFC.

Principal and interest payments on state appropriation bonds receivable/payable mature as follows:

	Principal	Interest	Total
Year ending March 31:			
2015	\$ 57,790,000	30,540,000	88,330,000
2016	57,925,000	27,872,000	85,797,000
2017	51,985,000	25,361,000	77,346,000
2018	49,410,000	22,769,000	72,179,000
2019	49,920,000	20,434,000	70,354,000
2020–2024	213,090,000	67,549,000	280,639,000
2025–2029	154,595,000	20,939,000	175,534,000
	\$ 634,715,000	215,464,000	850,179,000

Defeased in-substance debt outstanding on state appropriation bonds which is no longer recorded on EFC's statements of net position amounted to \$67.4 million at March 31, 2014 and \$30.3 million at March 31, 2013.

(10) Retirement Plan

Retirement Plan: 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 State Comptroller is sole trustee and administrative head of the System. The System issues a publicly available financial report that includes financial statements and required supplementary information which may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State St, Albany, New York.

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The System provides retirement benefits as well as death and disability benefits. Retirement benefits are established by the New York State Retirement and Social Security Law. Retirement benefits, contributory requirements and vesting depend upon the point in time at which an employee first joined the System (membership tier). Most members of the System who joined before July 27, 1976 or 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.

System funding requirements are determined by the actuary of the System using the aggregate funding method. The System calculates the employer contribution as a result of multiplying projected salaries by the actuarially determined contribution rates.

The employer contributions for the System covered employees of EFC for the fiscal years ended March 31, 2014, 2013, and 2012, were \$1.8 million, \$1.5 million, and \$1.1 million, respectively, which were 100% of the required contribution.

(11) Other Postemployment Benefits

Plan Description: Medical and Prescription Drug benefits are provided through the New York State Health Insurance Program (NYSHIP).

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.

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Annual OPEB: EFC's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of thirty years. The following table shows the components of EFC's annual OPEB cost for 2014 and 2013, the amount actually contributed to the plan, and changes in EFC's net OPEB obligation:

	2014	2013
Annual OPEB cost:		
Annual required contribution (ARC):		
Normal cost	\$ 2,503,900	2,430,900
Past service cost	1,656,100	1,542,400
Total	4,160,000	3,973,300
ARC adjustment	(420,362)	(304,168)
Interest on net OPEB obligation	381,184	275,820
Annual OPEB cost	\$ 4,120,822	3,944,952
Net OPEB obligation:		
Net OPEB obligation at beginning of fiscal year	\$ 12,706,143	9,193,993
Annual OPEB cost	4,120,822	3,944,952
Employer contribution	(498,141)	(432,802)
Net OPEB obligation at end of fiscal year	\$ 16,328,824	12,706,143

EFC's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014, 2013, and 2012 were as follows:

Fiscal year ended	Annual OPEB cost	Actual contribution	Percentage of annual OPEB cost contributed	NET OPEB obligation
March 31, 2014	\$ 4,120,822	498,141	12.1	16,328,824
March 31, 2013	3,944,952	432,802	11.0	12,706,143
March 31, 2012	2,513,812	415,486	16.5	9,193,993

Funded Status and Funding Progress: As of January 1, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$46.6 million all of which was unfunded.

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The following schedule of funding progress presents information about the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

Actuarial valuation date	Actuarial value of assets (a)	Actuarial Accrued liability (b)	Unfunded Accrued Liability (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAL as a percentage of covered payroll ((b-a)/c)
1/1/2013	\$ —	46,618,500	46,618,500	—%	7,736,307	602.6%

Actuarial Methods and 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 January 1, 2013 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 3% baseline discount rate. The 3% baseline discount rate assumes the benefits are not prefunded, so the discount rate is based on the expected earnings of EFC's general investments. The actuarial assumptions also included a baseline medical inflation rate of 8.8% initially, reduced to a rate of 5.8% by 2042, and an annual Medicare Part B premium inflation rate of 8.8% for post-65 medical benefits. The UAAL's amortization technique produces annual payments that are designed to increase over time as payroll grows. The Corporation has selected a 30 year open amortization period.

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(12) Commitments and Contingencies

The Corporation rents office space located at 625 Broadway, Albany, New York, from the New York State Office of General Services (OGS). EFC has consolidated its office space to one floor and is currently in the process of renegotiating a new long term permit/lease with OGS. The permit/lease is expected to include a fixed basic fee to cover debt service on the building, as well as a pro rata share of the buildings operating costs, real estate taxes, and utilities. All costs, debt service and occupancy costs, under the permit/lease are recognized in the statements of revenues, expenses, and changes in net position as part of administrative costs. For the year ended March 31, 2014 and 2013 these costs are as follows:

	2014	2013
Debt service	\$ 249,879	249,879
Occupancy costs	348,000	319,000
	\$ 597,879	568,879

At March 31, 2014, the undisbursed balance of active SRF short term direct loans and grants closed were \$725.8 million and \$106.4 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 deposited with an escrow agent, The Bank of New York Mellon, approximately \$8.5 million in 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.

EFC is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of EFC's general counsel the resolution of these matters will not have a material adverse effect on the financial position, changes in financial position, or cash flows of EFC.

(13) Subsequent Events

The Corporation has evaluated subsequent events from the statement of net position date of March 31, 2014 through June 26, 2014, the date at which the financial statements were available to be issued. No significant financings have occurred during this period. However, EFC is scheduled to close on July 2, 2014 on \$213.6 million of its State Revolving Funds Revenue Bonds, Series 2014B (2010 Master Financing Program) (Green Bonds). These proceeds as well as \$221.0 million in Equity Funds will be used to fund long term financings to various recipients.

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Required Supplementary Information

Schedule of Funding Progress for the Retiree Health Plan (Unaudited)

March 31, 2014

Actuarial valuation date	Actuarial value of assets (a)	Accrued liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAL as a percentage of covered payroll ((b-a)/c)
1/1/2013	\$ —	46,618,500	46,618,500	—%	7,736,307	602.6%
1/1/2010	—	21,591,800	21,591,800	—	8,696,790	248.3
1/1/2008	—	17,271,100	17,271,100	—	7,896,000	218.7

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Other Supplementary Information – Combining Schedule of Net Position
March 31, 2014 and 2013

Assets	2014				2013			
	Corporate activities	CWSRF	DWSRF	Total	Corporate activities	CWSRF	DWSRF	Total
Current assets:								
Cash and cash equivalents:	\$ 13,276,085	—	—	13,276,085	12,479,569	—	—	12,479,569
Contractual services and fees receivable	519,458	—	—	519,458	291,430	—	—	291,430
Restricted assets:								
Cash and cash equivalents	—	614,678,622	215,502,083	830,180,705	—	877,535,782	209,133,954	1,086,669,736
Contractual services and fees receivable	—	83,666	42,242	125,908	—	144,965,072	(144,633,387)	331,685
Interest receivable on bonds and direct financings	—	73,467,172	15,155,471	88,622,643	—	83,045,956	16,466,588	99,512,544
Interest receivable on cash and cash equivalents and investments	—	21,108,267	2,232,757	23,341,024	—	23,936,417	2,499,132	26,435,549
Annual fees receivable	—	11,591,923	1,019,270	12,611,193	—	11,700,342	1,091,494	12,791,836
Prepaid expense	—	5,846,406	185,752	6,032,158	—	—	—	—
Short term financings receivable	—	171,389,525	54,210,970	225,600,495	—	49,291,485	227,847,741	277,139,226
Direct financing receivable	—	39,727,545	20,749,387	60,476,932	—	35,521,019	19,957,704	55,478,723
Bonds receivable	—	297,443,685	81,113,919	378,557,604	—	305,403,843	79,342,588	384,746,431
Due from New York State, appropriation bonds receivable	57,790,000	—	—	57,790,000	59,320,000	—	—	59,320,000
Other restricted funds	6,983,381	—	—	6,983,381	18,634,245	—	—	18,634,245
Total current assets	<u>78,568,924</u>	<u>1,235,336,811</u>	<u>390,211,851</u>	<u>1,704,117,586</u>	<u>90,725,244</u>	<u>1,531,399,916</u>	<u>411,705,814</u>	<u>2,033,830,974</u>
Noncurrent assets:								
Restricted assets:								
Investments	—	2,275,422,235	276,503,765	2,551,926,000	—	2,045,717,941	199,422,571	2,245,140,512
Short term financings receivable	—	184,616,330	55,928,075	240,544,405	—	167,182,910	103,072,307	270,255,217
Direct financings receivable	—	967,364,173	379,862,275	1,347,226,448	—	765,667,609	383,138,878	1,148,806,487
Bonds receivable	—	5,266,609,969	1,043,237,105	6,309,847,074	—	5,429,665,561	1,118,411,189	6,548,076,750
Due from New York State, appropriation bonds receivable	576,925,000	—	—	576,925,000	720,455,000	—	—	720,455,000
Total noncurrent assets	<u>576,925,000</u>	<u>8,694,012,707</u>	<u>1,755,531,220</u>	<u>11,026,468,927</u>	<u>720,455,000</u>	<u>8,408,234,021</u>	<u>1,804,044,945</u>	<u>10,932,733,966</u>
Total assets	<u>\$ 655,493,924</u>	<u>9,929,349,518</u>	<u>2,145,743,071</u>	<u>12,730,586,513</u>	<u>811,180,244</u>	<u>9,939,633,937</u>	<u>2,215,750,759</u>	<u>12,966,564,940</u>
	Liabilities and Net Position							
Current liabilities:								
Accrued interest payable on bonds	\$ —	68,088,385	14,126,996	82,215,381	—	73,724,860	14,474,496	88,199,356
Accrued interest subsidy	—	39,132,563	5,360,931	44,493,494	—	40,718,529	5,373,194	46,091,723
Bonds payable	—	248,355,000	62,470,000	310,825,000	—	280,167,620	70,088,281	350,255,901
Appropriation bonds payable	57,790,000	—	—	57,790,000	59,320,000	—	—	59,320,000
Other restricted funds	6,983,381	—	—	6,983,381	18,634,245	—	—	18,634,245
Accounts payable and accrued expenses	1,020,908	6,768,000	1,438,705	9,227,613	207,209	793,856	185,815	1,186,880
Interfund balances	(612,294)	506,663	105,631	—	(1,306,790)	1,057,281	249,509	—
Debt service funds payable	—	27,083,241	3,143,013	30,226,254	—	7,439,057	1,090,625	8,529,682
Deferred revenue	45,369	—	367,165	412,534	45,369	—	346,566	391,935
Other liabilities	1,937,303	39,173,566	6,808,665	47,919,534	1,937,303	49,953,816	8,385,182	60,276,301
Other post employment benefits	163,227	258,004	105,307	526,538	142,755	225,647	92,100	460,502
Total current liabilities	<u>67,327,894</u>	<u>429,365,422</u>	<u>93,926,413</u>	<u>590,619,729</u>	<u>78,980,091</u>	<u>454,080,666</u>	<u>100,285,768</u>	<u>633,346,525</u>
Noncurrent liabilities:								
Bonds payable	—	4,824,263,288	954,112,763	5,778,376,051	—	5,076,129,454	1,027,981,381	6,104,110,835
Appropriation bonds payable	576,925,000	—	—	576,925,000	720,455,000	—	—	720,455,000
Deferred revenue	614,985	—	5,252,004	5,866,989	660,354	—	5,461,576	6,121,930
Other post employment benefits	3,582,996	9,315,163	2,904,127	15,802,286	3,060,065	6,884,098	2,301,478	12,245,641
Total noncurrent liabilities	<u>581,122,981</u>	<u>4,833,578,451</u>	<u>962,268,894</u>	<u>6,376,970,326</u>	<u>724,175,419</u>	<u>5,083,013,552</u>	<u>1,035,744,435</u>	<u>6,842,933,406</u>
Total liabilities	<u>648,450,875</u>	<u>5,262,943,873</u>	<u>1,056,195,307</u>	<u>6,967,590,055</u>	<u>803,155,510</u>	<u>5,537,094,218</u>	<u>1,136,030,203</u>	<u>7,476,279,931</u>
Net position:								
Restricted for revolving loan fund programs	—	4,666,405,645	1,089,547,764	5,755,953,409	—	4,402,539,719	1,079,720,556	5,482,260,275
Unrestricted	7,043,049	—	—	7,043,049	8,024,734	—	—	8,024,734
Total net position	<u>7,043,049</u>	<u>4,666,405,645</u>	<u>1,089,547,764</u>	<u>5,762,996,458</u>	<u>8,024,734</u>	<u>4,402,539,719</u>	<u>1,079,720,556</u>	<u>5,490,285,009</u>
Total liabilities and net position	<u>\$ 655,493,924</u>	<u>9,929,349,518</u>	<u>2,145,743,071</u>	<u>12,730,586,513</u>	<u>811,180,244</u>	<u>9,939,633,937</u>	<u>2,215,750,759</u>	<u>12,966,564,940</u>

See accompanying independent auditors' report.

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

Other Supplementary Information – Combining Schedule of Revenues, Expenses, and Changes in Net Position
Years ended March 31, 2014 and 2013

	2014				2013			
	Corporate activities	CWSRF	DWSRF	Total	Corporate activities	CWSRF	DWSRF	Total
Operating revenues:								
Interest income on bonds and direct financings receivable	\$ —	265,634,006	51,708,360	317,342,366	—	265,622,018	55,135,950	320,757,968
Bond financing and administrative fees	672,634	10,733,282	1,794,514	13,200,430	820,423	12,225,894	1,909,501	14,955,818
Administrative grant revenues	265,583	5,030,953	2,063,172	7,359,708	141,739	9,003,397	2,240,953	11,386,089
Indirect cost and other recoveries	1,133,715	(803,890)	(329,825)	—	2,373,662	(1,901,199)	(472,463)	—
Advisory service fees	773,505	—	—	773,505	850,156	—	—	850,156
Other revenues	20,498	—	—	20,498	2,048,095	—	—	2,048,095
Total operating revenues	<u>2,865,935</u>	<u>280,594,351</u>	<u>55,236,221</u>	<u>338,696,507</u>	<u>6,234,075</u>	<u>284,950,110</u>	<u>58,813,941</u>	<u>349,998,126</u>
Operating expenses:								
Interest expense on bonds payable	—	235,411,566	47,013,046	282,424,612	—	239,787,803	49,254,010	289,041,813
Interest subsidy provided	—	115,884,269	14,859,385	130,743,654	—	119,897,256	15,513,499	135,410,755
Principal forgiveness	—	35,244,926	(43,529)	35,201,397	—	110,967,881	(2,698,546)	108,269,335
Administrative costs	3,855,702	15,983,353	3,938,035	23,777,090	3,759,497	14,045,155	3,892,071	21,696,723
Total operating expenses	<u>3,855,702</u>	<u>402,524,114</u>	<u>65,766,937</u>	<u>472,146,753</u>	<u>3,759,497</u>	<u>484,698,095</u>	<u>65,961,034</u>	<u>554,418,626</u>
Operating (loss) income	<u>(989,767)</u>	<u>(121,929,763)</u>	<u>(10,530,716)</u>	<u>(133,450,246)</u>	<u>2,474,578</u>	<u>(199,747,985)</u>	<u>(7,147,093)</u>	<u>(204,420,500)</u>
Nonoperating revenues:								
Project grant revenues	—	344,141,568	24,040,273	368,181,841	—	294,636,371	105,698,513	400,334,884
Investment income	8,082	56,322,001	3,710,100	60,040,183	11,243	107,279,981	12,561,428	119,852,652
State assistance payments revenue	1,044,475	—	2,199	1,046,674	767,995	—	3,197	771,192
Total nonoperating revenues	<u>1,052,557</u>	<u>400,463,569</u>	<u>27,752,572</u>	<u>429,268,698</u>	<u>779,238</u>	<u>401,916,352</u>	<u>118,263,138</u>	<u>520,958,728</u>
Nonoperating expenses:								
Grants disbursed	—	14,667,880	7,392,449	22,060,329	—	6,621,158	17,600,903	24,222,061
State assistance payments expense	1,044,475	—	2,199	1,046,674	767,995	—	3,197	771,192
Total nonoperating expenses	<u>1,044,475</u>	<u>14,667,880</u>	<u>7,394,648</u>	<u>23,107,003</u>	<u>767,995</u>	<u>6,621,158</u>	<u>17,604,100</u>	<u>24,993,253</u>
(Decrease) increase in net position	<u>(981,685)</u>	<u>263,865,926</u>	<u>9,827,208</u>	<u>272,711,449</u>	<u>2,485,821</u>	<u>195,547,209</u>	<u>93,511,945</u>	<u>291,544,975</u>
Beginning net position	<u>8,024,734</u>	<u>4,402,539,719</u>	<u>1,079,720,556</u>	<u>5,490,285,009</u>	<u>5,538,913</u>	<u>4,206,992,510</u>	<u>986,208,611</u>	<u>5,198,740,034</u>
Ending net position	<u>\$ 7,043,049</u>	<u>4,666,405,645</u>	<u>1,089,547,764</u>	<u>5,762,996,458</u>	<u>8,024,734</u>	<u>4,402,539,719</u>	<u>1,079,720,556</u>	<u>5,490,285,009</u>

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, 2014 and 2013

	2014				2013			
	Corporate activities	CWSRF	DWSRF	Total	Corporate activities	CWSRF	DWSRF	Total
Cash flows from operating activities:								
Bond financing and administrative fees	\$ 2,592,538	159,950,170	(141,264,517)	21,278,191	6,366,346	(124,652,771)	148,115,854	29,829,429
Personal services expense	(1,420,092)	(5,659,329)	(1,299,750)	(8,379,171)	(1,392,025)	(4,975,299)	(1,181,774)	(7,549,098)
Fringe benefits expense	(752,506)	(2,678,911)	(661,603)	(4,093,020)	(747,543)	(2,306,864)	(584,918)	(3,639,325)
Other administrative expenses	(326,002)	792,453	(107,936)	358,515	(1,179,836)	(4,697,570)	(1,595,313)	(7,472,719)
Prepaid expenses	—	(5,846,406)	(185,752)	(6,032,158)	—	—	—	—
Yield reduction received	—	1,054,852	230,497	1,285,349	—	2,257,247	409,370	2,666,617
Yield reduction paid	—	(15,235,121)	(2,925,996)	(18,161,117)	—	(5,312,177)	(640,296)	(5,952,473)
Other, net	694,496	2,849,399	975,105	4,519,000	(1,439,564)	4,859,869	1,000,634	4,420,939
Net cash provided by (used in) operating activities	788,434	135,227,107	(145,239,952)	(9,224,411)	1,607,378	(134,827,565)	145,523,557	12,303,370
Cash flows from noncapital financing activities:								
Proceeds from bonds issued	—	836,390,000	78,670,000	915,060,000	—	1,018,798,214	48,587,646	1,067,385,860
Payments on bonds payable	—	(1,120,068,786)	(160,156,899)	(1,280,225,685)	—	(1,658,930,908)	(126,583,380)	(1,785,514,288)
Interest paid on bonds payable	—	(241,048,041)	(47,360,547)	(288,408,588)	—	(251,752,339)	(50,298,990)	(302,051,329)
New York State appropriation bond payments received	145,060,000	—	—	145,060,000	91,400,000	—	—	91,400,000
Payments on New York State appropriation bonds	(145,060,000)	—	—	(145,060,000)	(91,400,000)	—	—	(91,400,000)
Grants disbursed	—	(14,667,880)	(7,392,449)	(22,060,329)	—	(6,621,158)	(17,600,903)	(24,222,061)
Contributions received from the U.S. EPA	—	292,023,954	24,040,273	316,064,227	—	263,063,411	105,698,513	368,761,924
Contributions received from New York State	—	52,117,614	—	52,117,614	—	31,572,959	—	31,572,959
Net cash (used in) noncapital financing activities	—	(195,253,139)	(112,199,622)	(307,452,761)	—	(603,869,821)	(40,197,114)	(644,066,935)
Cash flows from investing activities:								
Net proceeds from maturities of investments	—	(229,704,294)	(77,081,194)	(306,785,488)	—	478,722,901	19,649,706	498,372,607
Interest income on investments	8,082	59,150,151	3,976,476	63,134,709	11,243	115,675,548	12,951,537	128,638,328
Bonds purchased	—	(985,273,510)	(100,207,661)	(1,085,481,171)	—	(1,018,798,214)	(48,587,646)	(1,067,385,860)
Bonds repayments received	—	1,156,289,260	173,610,414	1,329,899,674	—	1,658,930,908	126,583,380	1,785,514,288
Short term financing disbursements	—	(330,536,001)	(42,565,622)	(373,101,623)	—	(258,314,546)	(252,228,428)	(510,542,974)
Short term financing repayments received	—	196,372,829	289,295,006	485,667,835	—	216,994,511	51,935,776	268,930,287
Principal forgiveness repayments	—	(40,613,213)	(25,904,852)	(66,518,065)	—	(55,292,610)	(20,601,905)	(75,894,515)
Direct financings issued	—	(251,149,919)	(19,008,490)	(270,158,409)	—	(389,349,597)	(33,477,150)	(422,826,747)
Direct financing repayments received	—	45,246,830	21,493,409	66,740,239	—	57,065,995	29,600,396	86,666,391
Interest income on bonds and direct financings receivable	—	275,212,790	53,019,477	328,232,267	—	274,321,131	55,823,959	330,145,090
Interest subsidy provided	—	(117,470,235)	(14,871,648)	(132,341,883)	—	(125,110,286)	(16,021,162)	(141,131,448)
Debt service funds received	—	23,899,416	2,805,510	26,704,926	—	7,671,028	1,151,149	8,822,177
Debt service funds paid	—	(4,255,232)	(753,122)	(5,008,354)	—	(3,842,760)	(140,984)	(3,983,744)
Net cash provided by (used in) investing activities	8,082	(202,831,128)	263,807,703	60,984,657	11,243	958,674,009	(73,361,372)	885,323,880
Net increase (decrease) in cash and cash equivalents	796,516	(262,857,160)	6,368,129	(255,692,515)	1,618,621	219,976,623	31,965,071	253,560,315
Cash and cash equivalents, beginning of year	12,479,569	877,535,782	209,133,954	1,099,149,305	10,860,948	657,559,159	177,168,883	845,588,990
Cash and cash equivalents, end of year	\$ 13,276,085	614,678,622	215,502,083	843,456,790	12,479,569	877,535,782	209,133,954	1,099,149,305

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, 2014 and 2013

	2014				2013			
	Corporate activities	CWSRF	DWSRF	Total	Corporate activities	CWSRF	DWSRF	Total
Reconciliation of operating gain (loss) to net cash provided by (used in) operating activities:								
Operating (loss) income	\$ (989,767)	(121,929,763)	(10,530,716)	(133,450,246)	2,474,578	(199,747,985)	(7,147,093)	(204,420,500)
Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities:								
Interest income on bonds and direct financings receivable	—	(265,634,006)	(51,708,360)	(317,342,366)	—	(265,622,018)	(55,135,950)	(320,757,968)
Interest expense	—	235,411,566	47,013,046	282,424,612	—	239,787,803	49,254,010	289,041,813
Principal forgiveness	—	35,244,926	(43,529)	35,201,397	—	110,967,881	(2,698,546)	108,269,335
Interest subsidy provided	—	115,884,269	14,859,385	130,743,654	—	119,897,256	15,513,499	135,410,755
Changes in assets and liabilities that (use) provide cash:								
Contractual services and fees receivable	(228,028)	144,881,406	(144,675,630)	(22,252)	61,391	(143,115,273)	144,643,459	1,589,577
Annual fees receivable	—	108,419	72,224	180,643	—	(865,590)	64,070	(801,520)
Prepaid expense	—	(5,846,406)	(185,752)	(6,032,158)	—	—	—	—
Accounts payable and accrued expenses	813,699	5,974,144	1,252,890	8,040,733	(121,852)	(252,596)	(102,121)	(476,569)
Interfund balances	694,496	(550,618)	(143,878)	—	(1,306,790)	1,057,281	249,509	—
Deferred revenue	(45,369)	—	(188,973)	(234,342)	70,881	—	(269,666)	(198,785)
Other liabilities	—	(10,780,252)	(1,576,515)	(12,356,767)	(132,775)	747,658	520,199	1,135,082
Other post employment benefits	543,403	2,463,422	615,856	3,622,681	561,945	2,318,018	632,187	3,512,150
Net cash provided by (used in) operating activities	\$ <u>788,434</u>	<u>135,227,107</u>	<u>(145,239,952)</u>	<u>(9,224,411)</u>	<u>1,607,378</u>	<u>(134,827,565)</u>	<u>145,523,557</u>	<u>12,303,370</u>

See accompanying independent auditors' report.

NYS Environmental Facilities Corporation
Statement of Revenues, Expenses and Changes in Net Position
For SFY 2013 - 2014, Through March 31, 2014
Actual versus Budget
Aggregate Summary

	Actual Thru 3/31/14	Budget	\$ (Under) Over Budget	% (Under) Over Budget
<u>Revenues</u>				
Bond Financing Fees	414,022	500,000	(85,978)	-17%
Annual Administrative Fees	16,286,408	16,725,000	(438,592)	-3%
Less Transferred to DEC	(3,500,000)	(3,500,000)	-	0%
Advisory Service Fees	773,505	1,000,000	(226,495)	-23%
Administrative Grant Revenues	8,223,515	7,900,000	323,515	4%
Less DEC Portion	(863,807)	(800,000)	(63,807)	8%
Interest Income on Investments	60,040,183	112,535,000	(52,494,817)	-47%
Interest Income on Bonds Receivable	301,576,153	313,500,000	(11,923,847)	-4%
Interest Income on Direct Loans Receivable	15,766,213	20,000,000	(4,233,787)	-21%
State Assistance Payments Revenue	1,046,674	1,000,000	46,674	5%
Other Revenues	20,498	30,000	(9,502)	-32%
Total Revenues	399,783,364	468,890,000	(69,106,636)	-15%
<u>Expenses</u>				
Interest Subsidy Provided	130,743,654	152,000,000	(21,256,346)	-14%
Interest Expense on Bonds Payable	282,424,612	294,000,000	(11,575,388)	-4%
State Assistance Payments Expense	1,046,674	1,000,000	46,674	5%
Grants Disbursed	22,060,329	25,000,000	(2,939,671)	-12%
Principal Forgiveness	35,201,397	41,000,000	(5,798,603)	-14%
Personal Service Costs	8,051,831	9,797,000	(1,745,169)	-18%
Fringe Benefits	4,093,020	4,410,000	(316,980)	-7%
Other Post Employment Benefits	3,622,680	3,500,000	122,680	
Other Than Personal Services	1,388,733	1,773,000	(384,267)	-22%
Admin Expense Account	969,360	1,250,000	(280,640)	-22%
Admin Restricted Account	924,466	1,275,000	(350,534)	-27%
NYS Cost Recovery Fee	4,727,000	4,727,000	-	0%
Total Expenses	495,253,756	539,732,000	(44,478,244)	-8%
(Decrease)	(95,470,392)	(70,842,000)	(24,628,392)	35%
Capital Contributions	368,181,841	290,000,000	78,181,841	27%
Increase in Net Position	272,711,449	219,158,000	53,553,449	24%

Summary Financial Information
 NYS Environmental Facilities Corporation
 April 1, 2013 - March 31, 2014

SUMMARY STATEMENT OF NET ASSETS

Assets

Current Assets

Cash and cash equivalents	843,456,790
Investments	0
Receivables, net	847,645,257
Other assets	13,015,539
Total Current Assets	1,704,117,586

Noncurrent Assets

Restricted cash and investments	2,551,926,000
Long-term receivables, net	8,474,542,927
Other assets	0

Capital Assets

Land and other	0
Buildings and Equip	0
Infrastructure	0
Accumulated Depreciation	0
Net capital assets	0

Total Noncurrent Assets	11,026,468,927
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Total Assets	12,730,586,513
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Liabilities

Current Liabilities

Accounts payable	9,227,613
Pension contribution payable	0
Other post-employment benefits	526,538
Accrued liabilities	126,708,875
Deferred revenues	412,534
Bonds and notes payable	368,615,000
Other long-term obligation due within 1 yr	85,129,169
Total Current Liabilities	590,619,729

Noncurrent Liabilities

Pension contribution payable	0
Other post-employment benefits	15,802,286
Bonds and notes payable	6,355,301,051
Other long-term obligations	5,866,989
Total Noncurrent Liabilities	6,376,970,326

Total Liabilities	6,967,590,055
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Net Assets (Deficit)**Net Assets**

Invested in capital assets, net of debt	0
Restricted	5,755,953,409
Unrestricted	7,043,049

Total Net Assets	5,762,996,458
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SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGES NET ASSETS**Operating Revenues**

Charges for services	20,560,138
Rental & financing income	317,342,366
Other operating revenues	794,003

Total Operating Revenue	338,696,507
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Operating Expenses

Salaries and wages	8,051,831
Other employee benefits	7,715,700
Professional services contracts	86,733
Supplies and materials	143,733
Depreciation & amortization	0
Other operating expenses	456,148,756

Total Operating Expenses	472,146,753
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Operating Income (Loss)	(133,450,246)
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Nonoperating Revenues

Investment earnings	60,040,183
State subsidies/grants	1,046,674
Federal subsidies/grants	368,181,841
Municipal subsidies/grants	0
Public authority subsidies	0
Other nonoperation revenues	0

Total Nonoperating Revenue 429,268,698

Nonoperating Expenses

Interest and other financing charges	0
Subsidies to other public authorities	0
Grants and donations	22,060,329
Other nonoperating expenses	1,046,674

Total Nonoperating Expenses 23,107,003

Income (Loss) Before Contributions 272,711,449

Capital Contributions 0

Change in net assets 272,711,449

Net assets (deficit) beginning of year 5,490,285,009

Other net assets changes 0

Net assets (deficit) at end of year 5,762,996,458

BUDGET & FINANCIAL PLAN

BUDGETED REVENUES, EXPENDITURES, AND CHANGES IN CURRENT NET ASSETS

	Next Year (Adopted) 2015	Proposed 2016	Proposed 2017	Proposed 2018
<u>REVENUE & FINANCIAL SOURCES</u>				
Operating Revenues				
Charges for services	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00
Rental & financing income	14,200,000.00	14,775,000.00	15,350,000.00	15,925,000.00
Other operating revenues	330,000,000.00	328,500,000.00	320,000,000.00	317,500,000.00
Nonoperating Revenues				
Investment earnings	112,535,000.00	112,535,000.00	117,535,000.00	117,535,000.00
State subsidies/grants	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Federal subsidies/grants	5,400,000.00	5,400,000.00	5,400,000.00	5,400,000.00
Municipal subsidies/grants	0	0	0	0
Public authority subsidies	0	0	0	0
Other nonoperating revenues	30,000.00	30,000.00	30,000.00	30,000.00
Proceeds from the issuance of debt	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues & Financing Sources	\$464,165,000.00	\$463,240,000.00	\$460,315,000.00	\$458,390,000.00
<u>EXPENDITURES</u>				
Operating Expenditures				
Salaries and wages	10,091,000.00	10,394,000.00	10,706,000.00	11,027,000.00
Other employee benefits	8,042,000.00	8,179,000.00	8,320,000.00	8,465,000.00
Professional services contracts	1,387,000.00	1,387,000.00	1,387,000.00	1,387,000.00
Supplies and materials	0	0	0	0
Other operating expenditures	7,391,000.00	2,061,000.00	2,061,000.00	1,561,000.00
Nonoperating Expenditures				
Payment of principal on bonds and financing arrangements	0	0	0	0
Interest and other financing charges	285,000,000.00	278,000,000.00	269,000,000.00	261,000,000.00
Subsidies to other public authorities	0	0	0	0
Capital asset outlay	0	0	0	0
Grants and donations	37,000,000.00	37,000,000.00	36,000,000.00	36,000,000.00
Other nonoperating expenditures	157,500,000.00	163,000,000.00	168,500,000.00	174,000,000.00
Total Expenditures	\$506,411,000.00	\$500,021,000.00	\$495,974,000.00	\$493,440,000.00
Capital Contributions	\$205,000,000.00	\$125,000,000.00	\$125,000,000.00	\$135,000,000.00
Excess (deficiency) of revenues and capital contributions over expenditures	\$162,754,000.00	\$88,219,000.00	\$89,341,000.00	\$99,950,000.00

**NYS Environmental Facilities Corporation
Annual Debt Report
Period Ending March 31, 2014**

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NYS Environmental Facilities Corporation
 Schedule of Debt for Fiscal Year Ending 3/31/14
 State Revolving Fund

Schedule 1

Series	Date of Issuance	Original Par	Outstanding 3/31/13	Redeemed	Issued	Outstanding 3/31/14	Maturity	Interest Rates
1991E	12/12/1991	337,910,000	290,000	200,000		90,000	6/15/2014	6.50%-6.50%
1993B	10/7/1993	75,150,000	2,140,000	1,845,000		295,000	5/15/2014	5.20%-5.20%
1994A	4/13/1994	714,090,000	12,755,000	12,755,000		0	6/15/2013	5.875%-5.875%
1994E	12/8/1994	118,380,000	8,215,000	3,805,000		4,410,000	6/15/2016	6.875%-6.875%
2002K	11/14/2002	640,950,000	160,630,000	29,795,000		130,835,000	6/15/2017	3.875%-5.50%
2002L	11/26/2002	75,700,000	17,910,000	6,455,000		11,455,000	11/15/2015	3.70%-5.00%
2003B	3/20/2003	110,415,000	13,205,000	4,245,000		8,960,000	12/15/2015	5.25%-5.25%
2003C	3/20/2003	59,225,000	6,500,000	2,090,000		4,410,000	7/15/2015	5.25%-5.25%
2003E	4/23/2003	286,540,000	221,205,000	221,205,000		0	6/15/2032	3.70%-5.00%
2003F	7/24/2003	131,770,000	84,125,000	84,125,000		0	7/15/2033	3.75%-4.75%
2003G	9/25/2003	24,435,000	20,100,000	20,100,000		0	7/15/2033	4.00%-5.00%
2003H	9/25/2003	19,680,000	7,810,000	7,810,000		0	7/15/2019	5.04%-5.59%
2003I	10/9/2003	294,805,000	231,725,000	231,725,000		0	6/15/2033	3.60%-5.00%
2004A	8/3/2004	4,095,000	4,095,000			4,095,000	7/15/2021	5.40%-5.40%
2004B	3/4/2004	66,655,000	42,135,000	3,190,000		38,945,000	11/15/2033	3.25%-5.00%
2004C	4/7/2004	245,965,000	198,325,000	92,505,000		105,820,000	6/15/2033	3.10%-5.25%
2004D	7/22/2004	195,520,000	140,205,000	7,490,000		132,715,000	2/15/2034	3.90%-5.00%
2004E	8/11/2004	227,830,000	182,205,000	182,205,000		0	6/15/2034	3.625%-5.00%
2004F	11/30/2004	374,295,000	305,420,000	154,150,000		151,270,000	6/15/2034	3.40%-5.25%
2005A	3/3/2005	132,530,000	92,525,000	5,480,000		87,045,000	11/15/2034	3.375%-5.00%
2005B	7/28/2005	104,715,000	75,420,000	3,875,000		71,545,000	4/15/2035	3.25%-5.50%
2005C	10/12/2005	221,010,000	182,455,000	6,650,000		175,805,000	6/15/2035	4.00%-5.00%
2005D	11/15/2005	57,885,000	17,670,000	5,330,000		12,340,000	11/15/2024	3.625%-5.00%
2006A	6/22/2006	196,600,000	170,415,000	5,335,000		165,080,000	6/15/2036	4.00%-5.50%
2006B	6/22/2006	250,460,000	217,900,000	6,785,000		211,115,000	6/15/2036	4.00%-5.50%
2006C	7/27/2006	192,510,000	151,165,000	6,550,000		144,615,000	4/15/2036	4.00%-5.00%
2007A	3/27/2007	218,830,000	192,565,000	6,125,000		186,440,000	6/15/2036	3.60%-5.00%
2007B	3/27/2007	277,930,000	245,570,000	7,560,000		238,010,000	6/15/2036	3.625%-5.00%
2007C	5/15/2007	185,080,000	153,695,000	14,785,000		138,910,000	6/15/2024	4.00%-5.00%
2007D	7/26/2007	146,030,000	117,300,000	5,405,000		111,895,000	3/15/2037	4.00%-5.00%

NYS Environmental Facilities Corporation
 Schedule of Debt for Fiscal Year Ending 3/31/14
 State Revolving Fund

Schedule 1

Series	Date of Issuance	Original Par	Outstanding 3/31/13	Redeemed	Issued	Outstanding 3/31/14	Maturity	Interest Rates
2008A	5/22/2008	260,415,000	218,570,000	12,225,000		206,345,000	6/15/2037	3.25%-5.00%
2008B	5/22/2008	213,800,000	195,705,000	6,110,000		189,595,000	6/15/2037	4.00%-5.00%
2009A	4/2/2009	364,150,000	351,735,000	8,675,000		343,060,000	6/15/2038	2.25%-5.25%
2010A	2/11/2010	132,660,000	115,655,000	8,370,000		107,285,000	6/15/2029	2.00%-5.00%
2010B	2/11/2010	196,460,000	196,460,000			196,460,000	6/15/2039	4.005%-5.807%
2010C	6/24/2010	140,850,000	119,945,000	7,930,000		112,015,000	10/15/2039	3.00%-5.00%
2011A	3/17/2011	132,745,000	103,475,000	15,490,000		87,985,000	8/15/2022	3.00%-5.00%
2011B	6/17/2011	520,675,000	505,965,000	14,935,000		491,030,000	6/15/2041	2.00%-5.00%
2011C	7/21/2011	191,735,000	179,730,000	8,925,000		170,805,000	5/15/2041	3.00%-5.00%
2012A	5/31/2012	496,145,000	496,145,000	31,355,000		464,790,000	6/15/2029	2.00%-5.00%
2012B	6/21/2012	88,950,000	87,590,000	3,185,000		84,405,000	5/1/2042	2.00%-5.00%
2012C	6/21/2012	14,440,000	14,310,000	555,000		13,755,000	12/15/2029	0.504%-3.684%
2012D	7/12/2012	316,790,000	316,790,000	5,840,000		310,950,000	6/15/2028	2.00%-5.00%
2012E	11/15/2012	98,640,000	98,640,000	4,095,000		94,545,000	11/15/2042	1.00%-5.00%
2012F	11/15/2012	33,465,000	33,465,000	3,210,000		30,255,000	11/15/2024	0.25%-2.806%
2013A	7/11/2013	401,090,000			401,090,000	401,090,000	6/15/2033	3.00%-5.00%
2013B	8/1/2013	166,585,000			166,585,000	166,585,000	5/15/2043	2.00%-5.00%
2014A	3/27/2014	347,385,000			347,385,000	347,385,000	6/15/2034	2.00%-5.00%
		10,103,970,000	6,309,855,000	1,270,475,000	915,060,000	5,954,440,000		

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 Ending 3/31/14
 State Appropriation Bonds

Schedule 2

Series	Date of Issuance	Original Par	Outstanding 3/31/13	Redeemed	Issued	Outstanding 3/31/14	Maturity	Interest Rates %
2003A	12/2003	88,440,000	52,365,000	52,365,000		0	3/15/2024	4 - 5
2003B	12/2003	50,945,000	6,140,000	6,140,000		0	3/15/2014	3 - 4.75
2004A	12/2004	129,180,000	71,315,000	47,425,000		23,890,000	12/15/2024	3 - 5.25
2006A	1/2006	110,595,000	100,895,000	10,000,000		90,895,000	12/15/2025	3.6 - 5
2007	1/2007	38,575,000	38,575,000	3,135,000		35,440,000	4/1/2022	4 - 5
2007A	1/2007	162,900,000	153,165,000	5,210,000		147,955,000	12/15/2026	4 - 5.25
2007D	7/2007	6,400,000	2,600,000	800,000		1,800,000	3/15/2016	3.63 - 4.13
2008A	3/2008	121,160,000	121,160,000	8,400,000		112,760,000	12/15/2027	4 - 5
2009A	3/2009	252,465,000	233,560,000	11,585,000		221,975,000	12/15/2028	3 - 5.25
		960,660,000	779,775,000	145,060,000		634,715,000		

Note

The above bonds are special obligation bonds payable solely from and collateralized by payments from the State under various agreements. The obligation of the State to make payments under these agreements are subject to and dependent upon the making of annual appropriations by the State Legislature.

NYS Environmental Facilities Corporation
 Schedule of Debt for Fiscal Year Ending 3/31/14
 Private Activity Bonds

Schedule 3

Series	Borrower	Date of Issuance	Original Par	Outstanding 3/31/13	Redeemed	Issued	Outstanding 3/31/14	Maturity
1997A	Long Island Water	8/1997	14,000,000	13,930,000	13,930,000		0	8/1/2027
2002A	United Water	3/2002	12,000,000	12,000,000	765,000		11,235,000	3/1/2034
2002B	Waste Management	11/2002	25,000,000	25,000,000			25,000,000	5/1/2019
2004A	Waste Management	7/2004	20,000,000	20,000,000			20,000,000	7/1/2017
2004A	Long Island Water	10/2004	16,000,000	16,000,000			16,000,000	10/1/2034
2010A	United Water	9/2010	35,000,000	35,000,000			35,000,000	9/1/2040
2012	Waste Management	5/2012	25,000,000	25,000,000			25,000,000	5/1/2030
			147,000,000	146,930,000	14,695,000	0	132,235,000	

Note

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

SFY 13/14 State Revolving Fund Financings

Clean Water Long-Term Direct

	Financing	FAP Grant	Total
Village of Athens	4,595,500.00	0.00	4,595,500.00
City of Auburn	345,000.00	0.00	345,000.00
Village of Belmont	3,226,156.00	0.00	3,226,156.00
Town of Catskill	38,334.00	0.00	38,334.00
Town of Cuba	1,136,653.00	0.00	1,136,653.00
Village of Cuba	726,401.00	0.00	726,401.00
Town of De Witt	833,055.00	0.00	833,055.00
Town of Fallsburg	4,173,178.00	0.00	4,173,178.00
Village of Gouverneur	690,000.00	0.00	690,000.00
Town of Greenport	3,579,832.00	0.00	3,579,832.00
Village of Greenport	1,773,610.00	0.00	1,773,610.00
Town of Greenville	264,418.00	0.00	264,418.00
Town of Hastings	4,828,346.00	0.00	4,828,346.00
City of Hudson	4,968,647.00	0.00	4,968,647.00
Town of Madrid	2,215,199.00	0.00	2,215,199.00
Town of Morristown	946,533.00	0.00	946,533.00
Village of Morristown	114,504.00	0.00	114,504.00
Town of Newcomb	222,567.00	0.00	222,567.00
NYCMWFA	209,380,000.00	0.00	209,380,000.00
Town of Rhinebeck	499,613.00	0.00	499,613.00
Town of Schroon	353,928.00	0.00	353,928.00
Town of Warrensburg	449,893.00	0.00	449,893.00
Village of Whitney Point	166,354.00	559,061.00	725,415.00
Village of Woodridge	5,622,198.00	2,000,000.00	7,622,198.00
	251,149,919.00	2,559,061.00	253,708,980.00

Clean Water Long-Term Leveraged

	Financing
Village of Altamont	3,575,000.00
Town of Babylon	13,047,902.00
City of Canandaigua	1,105,000.00
Village of Carthage	140,000.00
Village of Cedarhurst	815,000.00
Chautauqua County	140,000.00
City of Cohoes	1,423,060.00
Village of Ellicottville	835,000.00
Erie County	890,000.00
Town of Haverstraw	885,000.00
Town of Irondequoit	300,000.00
Village of Kiryas Joel	1,495,000.00
Village of Lake George	1,654,358.00
Village of Lake Placid	475,000.00
Town of Lawrence	70,000.00

Village of Lawrence	885,000.00
Village of Lima	1,555,000.00
Town of Lloyd	8,418,726.00
Town of Lysander	461,997.00
Nassau County	8,403,652.00
Town of New Baltimore	145,000.00
Niagara Falls Public Water Authority	14,030,000.00
Town of North Elba	85,000.00
Town of North Salem	5,584,229.00
NYCMWFA	709,475,000.00
Onondaga County	2,555,000.00
Town of Ontario	1,478,108.00
Town of Owasco	1,140,000.00
Town of Oyster Bay	3,281,379.00
Town of Perinton	750,000.00
City of Poughkeepsie	835,000.00
Rockland County	13,841,482.00
Rockland County SWMA	3,270,434.00
Town of Salina	1,090,506.00
Town of Southeast	4,647,062.00
City of Tonawanda	1,065,000.00
Town of Tonawanda	10,216,356.00
Village of Voorheesville	885,000.00
Town of Waterford	785,000.00
Village of West Carthage	285,000.00
Westchester County	152,479,000.00
City of White Plains	10,775,259.00
	<u>985,273,510.00</u>

Clean Water Short-Term Direct

	<u>Financing</u>	<u>FAP Grant</u>	<u>Total</u>
Village of Alexandria Bay	480,000.00	1,440,000.00	1,920,000.00
Village of Antwerp	2,907,000.00	0.00	2,907,000.00
City of Auburn	2,100,000.00	0.00	2,100,000.00
Town of Bethlehem	2,553,025.00	0.00	2,553,025.00
City of Binghamton	16,611,252.00	0.00	16,611,252.00
Village of Bloomfield	2,143,850.00	0.00	2,143,850.00
Village of Canajoharie	1,000,000.00	750,000.00	1,750,000.00
Town of Canandaigua	550,000.00	0.00	550,000.00
Village of Castorland	475,250.00	1,230,750.00	1,706,000.00
Town of Clayton	2,843,000.00	2,000,000.00	4,843,000.00
Village of Clayton	3,642,000.00	0.00	3,642,000.00
Town of Clifton	667,000.00	2,000,000.00	2,667,000.00
Town of Cobleskill	2,908,250.00	0.00	2,908,250.00
Town of Cortlandville	4,227,000.00	0.00	4,227,000.00
Town of East Greenbush	13,691,960.00	0.00	13,691,960.00

City of Glens Falls	5,978,900.00	0.00	5,978,900.00
Village of Gouverneur	6,100,000.00	0.00	6,100,000.00
Village of Heuvelton	775,000.00	2,000,000.00	2,775,000.00
Village of Johnson City	13,714,748.00	0.00	13,714,748.00
Town of Kirkland	3,385,879.00	2,000,000.00	5,385,879.00
Village of Lake George	2,073,476.00	0.00	2,073,476.00
Village of Lake Placid	3,837,994.00	0.00	3,837,994.00
Town of LeRay	2,000,000.00	2,000,000.00	4,000,000.00
Village of Monticello	7,952,000.00	0.00	7,952,000.00
Town of Nassau	3,483,275.00	0.00	3,483,275.00
NYCMWFA	320,000,000.00	0.00	320,000,000.00
Oneida County	37,706,812.00	0.00	37,706,812.00
City of Oswego	7,308,000.00	0.00	7,308,000.00
Rensselaer County	3,310,088.00	0.00	3,310,088.00
Rockland County	41,241,000.00	0.00	41,241,000.00
Town of Salina	3,530,000.00	2,000,000.00	5,530,000.00
Town of St. Armand	2,790,295.00	2,000,000.00	4,790,295.00
Village of Sylvan Beach	6,000,000.00	0.00	6,000,000.00
Village of Union Springs	1,121,000.00	0.00	1,121,000.00
Town of West Monroe	7,650,000.00	2,000,000.00	9,650,000.00
Westchester County	48,790,000.00	0.00	48,790,000.00
Village of Wilson	1,565,000.00	0.00	1,565,000.00
Village of Wolcott	1,295,100.00	2,000,000.00	3,295,100.00
Town of Woodhull	1,271,721.00	2,000,000.00	3,271,721.00
	589,679,875.00	23,420,750.00	613,100,625.00

Drinking Water Grant and Long-Term Direct

	Financing	FAP Grant	Total
Village of Ellisburg	1,617,143.00	827,208.00	2,444,351.00
Town of Erwin	2,639,587.00	0.00	2,639,587.00
Town of Henderson	1,313,663.00	66,991.14	1,380,654.14
Town of Indian Lake	2,516,100.00	0.00	2,516,100.00
NYCMWFA	4,473,333.00	0.00	4,473,333.00
Pheasant Hill Water Corporation	618,600.00	585,387.22	1,203,987.22
Town of Poestenkill	4,443,000.00	0.00	4,443,000.00
Village of Unadilla	1,387,064.00	0.00	1,387,064.00
	19,008,490.00	1,479,586.36	20,488,076.36

Drinking Water Long-Term Leveraged

	Financing
City of Auburn	1,355,000.00
Erie County Water Authority	8,628,384.00
Town of Evans	360,000.00
Village of Fort Edward	2,765,000.00
City of Glens Falls	4,350,000.00
Town of Huntington	4,045,000.00

Monroe County Water Authority	18,125,341.00
Niagara Falls Public Water Authority	12,350,000.00
Town of North Hempstead	550,000.00
NYCMWFA	39,000,000.00
City of Olean	3,840,000.00
City of Oneonta	480,000.00
Suffolk County Water Authority	4,088,936.00
Town of Windham	270,000.00
	100,207,661.00

Drinking Water Grant and Short-Term Direct

	Financing	FAP Grant	Total
Village of Angelica	94,893.00	1,103,427.00	1,198,320.00
Town of Aurelius	4,091,500.00	1,296,000.00	5,387,500.00
Town of Bolivar	276,530.00	140,600.00	417,130.00
Village of Bolivar	2,520,270.00	1,281,400.00	3,801,670.00
Village of Canaseraga	1,327,397.00	1,632,553.00	2,959,950.00
Village of Cayuga	2,223,500.00	704,000.00	2,927,500.00
Village of Corinth	9,000,000.00	0.00	9,000,000.00
Town of Corning	2,334,342.00	0.00	2,334,342.00
Village of Dryden	8,357,000.00	0.00	8,357,000.00
Dutchess County Water and Wastewater Authority	2,757,441.00	0.00	2,757,441.00
Town of Essex	1,831,366.00	1,146,341.00	2,977,707.00
Town of Louisville	7,275,000.00	2,000,000.00	9,275,000.00
Town of New Scotland	2,898,000.00	0.00	2,898,000.00
Village of Newport	563,666.00	1,800,000.00	2,363,666.00
Town of Perrysburg	729,657.00	0.00	729,657.00
Village of Richburg	1,136,840.00	578,000.00	1,714,840.00
City of Rome	5,391,791.00	0.00	5,391,791.00
Village of South Corning	1,280,000.00	0.00	1,280,000.00
Town of Southeast	1,689,614.00	0.00	1,689,614.00
West Valley Crystal Water Co. Inc	2,587,374.00	0.00	2,587,374.00
	58,366,181.00	11,682,321.00	70,048,502.00

COI Series 2013 A (NYW)

<u>Description</u>	<u>ACTUAL</u>
Underwriters Discount	1,898,810.64
SBIC	3,341,091.00
Bond Counsel	163,334.96
Financial Advisor	152,747.04
Printer	3,983.44
Trustee & Counsel	13,918.00
S&P	33,000.00
Moody's	91,000.00
Fitch	45,000.00
Verification Agent	
Electronic POS	
Special Disclosure Counsel	
CD's/Transcripts	
Advertising	
Conference Calls	
	<u>5,742,885.08</u>

COI Series 2013 B (Pool)

<u>Description</u>	<u>ACTUAL</u>
Underwriters Discount	845,457.23
SBIC	1,062,018.00
Bond Counsel	169,328.80
Financial Advisor	161,353.75
Printer	2,793.36
Trustee & Counsel	15,092.00
S&P	40,515.00
Moody's	59,500.00
Fitch	25,000.00
Verification Agent	
Electronic POS	1,500.00
Special Disclosure Counsel	
CD's/Transcripts	
Advertising	
Conference Calls	
	<u>2,382,558.14</u>

COI Series 2014 A (NYW)

<u>Description</u>	<u>ACTUAL</u>
Underwriters Discount	1,665,560.64
SBIC	2,893,727.00
Bond Counsel	129,787.33
Financial Advisor	112,059.68
Printer	3,648.33
Trustee & Counsel	15,340.05
S&P	33,000.00
Moody's	66,500.00
Fitch	50,000.00
Verification Agent	
Electronic POS	
Special Disclosure Counsel	
CD's/Transcripts	
Advertising	
Conference Calls	
	<u>4,969,623.03</u>

Disbursement Report

New York City Watershed WWTP Upgrade Program

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Regulatory

Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
Bataviakill Recreation Area	C	\$752,104.00	\$0.00	\$0.00	\$0.00	\$752,104.00	\$0.00	\$752,104.00	\$0.00
Bedford Hills Correctional Facility	A	\$3,862,466.00	\$0.00	\$0.00	\$0.00	\$3,591,381.64	\$0.00	\$3,591,381.64	\$271,084.36
Bedford Lake Apartments	A	\$1,148,844.00	\$23,526.37	\$0.00	\$23,526.37	\$282,938.13	\$0.00	\$282,938.13	\$865,905.87
Bedford Park Apartments		\$692,563.00	\$0.00	\$0.00	\$0.00	\$150,414.05	\$0.00	\$150,414.05	\$542,148.95
Black Bear Enterprises, Inc.	C	\$2,229,959.32	\$0.00	\$0.00	\$0.00	\$2,229,959.32	\$0.00	\$2,229,959.32	\$0.00
Blackberry Hill Sanitary Sewer District	C	\$5,138,529.91	\$0.00	\$0.00	\$0.00	\$5,138,529.91	\$683.97	\$5,137,845.94	\$0.00
Bread Alone	C	\$575,000.00	\$313.11	(\$11,331.74)	\$11,644.85	\$377,976.08	\$0.00	\$377,976.08	\$197,023.92
Brewster Central Schools	C	\$3,716,098.81	\$0.00	\$0.00	\$0.00	\$3,716,098.81	\$358.84	\$3,715,739.97	\$0.00
Brewster Heights Sewer District #1	A	\$4,282,101.00	\$0.00	\$0.00	\$0.00	\$4,126,392.76	\$0.00	\$4,126,392.76	\$155,708.24
Camp Edward Isaacs	A	\$4,096,533.00	\$205,670.21	\$0.00	\$205,670.21	\$2,356,531.43	\$0.00	\$2,356,531.43	\$1,740,001.57
Camp L'man Achai	C	\$1,326,920.26	\$0.00	\$0.00	\$0.00	\$1,326,920.26	\$0.00	\$1,326,920.26	\$0.00
Camp Loyaltown	C	\$499,454.94	\$0.00	\$0.00	\$0.00	\$499,454.94	\$0.00	\$499,454.94	\$0.00
Camp Ludington	C	\$3,785,195.70	\$0.00	\$0.00	\$0.00	\$3,785,195.70	\$0.00	\$3,785,195.70	\$0.00
Camp Nubar	C	\$3,441,112.75	\$0.00	\$0.00	\$0.00	\$3,441,112.75	\$6,700.00	\$3,434,412.75	\$0.00
Camp Oh-Neh-Tah	C	\$3,909,981.59	\$0.00	\$0.00	\$0.00	\$3,909,981.59	\$0.00	\$3,909,981.59	\$0.00
Camp RE	A	\$5,396,236.00	\$20,785.75	\$0.00	\$20,785.75	\$5,343,002.06	\$0.00	\$5,343,002.06	\$53,233.94
Camp Timber Lake	C	\$3,952,986.74	\$0.00	\$0.00	\$0.00	\$3,952,986.74	\$0.00	\$3,952,986.74	\$0.00
Carmel Sewer District #2	A	\$7,694,008.00	\$0.00	\$0.00	\$0.00	\$7,553,929.31	\$56,195.23	\$7,497,734.08	\$140,078.69
Carmel Sewer District #4	A	\$5,194,922.00	\$0.00	(\$147,468.05)	\$147,468.05	\$5,154,241.90	\$37,986.72	\$5,116,255.18	\$40,680.10
Carmel Sewer District #7	A	\$4,256,622.00	\$4,268.75	(\$108,653.99)	\$112,922.74	\$4,021,054.34	\$16,500.00	\$4,004,554.34	\$235,567.66
Clearpool Education Center	C	\$3,838,018.05	\$0.00	\$0.00	\$0.00	\$3,838,018.05	\$0.00	\$3,838,018.05	\$0.00
Clock Tower Commons	C	\$2,010,646.66	\$0.00	\$0.00	\$0.00	\$2,010,646.66	\$0.00	\$2,010,646.66	\$0.00
Colonel Chair Estates-Block 8	C	\$658,039.96	\$0.00	\$0.00	\$0.00	\$658,039.96	\$0.00	\$658,039.96	\$0.00
Cortina Valley Ski Center	C	\$33,765.73	\$0.00	\$0.00	\$0.00	\$33,765.73	\$0.00	\$33,765.73	\$0.00
Crystal Pond	C	\$1,267,678.81	\$0.00	\$0.00	\$0.00	\$1,267,678.81	\$0.00	\$1,267,678.81	\$0.00
Delaware-Chenango BOCES	C	\$2,220,009.40	\$0.00	\$0.00	\$0.00	\$2,220,009.40	\$0.00	\$2,220,009.40	\$0.00

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Regulatory

Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
Elka Park Association	C	\$3,426,585.30	\$0.00	\$0.00	\$0.00	\$3,426,585.30	\$0.00	\$3,426,585.30	\$0.00
Field Home / Holy Comforter	C	\$1,967,489.88	\$0.00	\$0.00	\$0.00	\$1,967,489.88	\$0.00	\$1,967,489.88	\$0.00
Forester Motor Lodge	C	\$501,921.62	\$0.00	\$0.00	\$0.00	\$501,921.62	\$0.00	\$501,921.62	\$0.00
Fox Lane Campus Treatment Center	C	\$6,668,534.02	\$0.00	\$0.00	\$0.00	\$6,668,534.02	\$0.00	\$6,668,534.02	\$0.00
Fox Run Condominiums	C	\$7,434,837.20	\$0.00	\$0.00	\$0.00	\$7,434,837.20	\$0.00	\$7,434,837.20	\$0.00
Frangel Realty Company	A	\$6,549,465.00	\$499,334.96	\$20,473.10	\$478,861.86	\$1,654,968.88	\$36,762.68	\$1,618,206.20	\$4,894,496.12
Frog's House Restaurant	C	\$11,079.59	\$0.00	\$0.00	\$0.00	\$11,079.59	\$0.00	\$11,079.59	\$0.00
Fulmar Road Elementary School	C	\$1,210,915.35	\$0.00	\$0.00	\$0.00	\$1,210,915.35	\$0.00	\$1,210,915.35	\$0.00
George Fischer Middle School	C	\$5,256,775.37	\$0.00	\$0.00	\$0.00	\$5,256,775.37	\$0.00	\$5,256,775.37	\$0.00
Harriman Lodge	C	\$1,263,855.85	\$0.00	\$0.00	\$0.00	\$1,263,855.85	\$0.00	\$1,263,855.85	\$0.00
Heritage Hills Pollution Control Plant	A	\$12,728,550.00	\$0.00	\$0.00	\$0.00	\$12,243,244.63	\$0.00	\$12,243,244.63	\$485,305.37
Hill-Sparrow WWTP	C	\$5,042,039.93	\$0.00	\$0.00	\$0.00	\$5,042,039.93	\$0.00	\$5,042,039.93	\$0.00
Holly Stream Condominiums	C	\$3,523,180.63	\$0.00	\$0.00	\$0.00	\$3,523,180.63	\$0.00	\$3,523,180.63	\$0.00
Hostel No. 1228 Welfare Rd.	C	\$15,312.87	\$0.00	\$0.00	\$0.00	\$15,312.87	\$0.00	\$15,312.87	\$0.00
Hunter Highlands	C	\$2,232,975.18	\$0.00	\$0.00	\$0.00	\$2,232,975.18	\$0.00	\$2,232,975.18	\$0.00
Hunter's Glen Master Association, Inc.	C	\$4,801,637.40	\$0.00	\$0.00	\$0.00	\$4,801,637.40	\$0.00	\$4,801,637.40	\$0.00
I-684 Rest Area #45	A	\$2,536,149.00	\$0.00	\$0.00	\$0.00	\$2,536,149.00	\$0.00	\$2,536,149.00	\$0.00
Increase Miller Elem. School	C	\$5,556,221.42	\$0.00	\$0.00	\$0.00	\$5,556,221.42	\$0.00	\$5,556,221.42	\$0.00
Katonah Elementary School	A	\$1,300,879.00	\$10,645.90	\$0.00	\$10,645.90	\$775,430.70	\$0.00	\$775,430.70	\$525,448.30
K'Hal Adas Kashau Rabbinical College	C	\$4,509,965.27	\$0.00	\$0.00	\$0.00	\$4,509,965.27	\$0.00	\$4,509,965.27	\$0.00
KJ Western Campground	C	\$10,465.00	\$0.00	\$0.00	\$0.00	\$10,465.00	\$0.00	\$10,465.00	\$0.00
Lake Plaza Shopping Center	C	\$1,974,151.00	\$13,875.00	(\$43,119.52)	\$56,994.52	\$1,935,723.00	\$0.00	\$1,935,723.00	\$38,428.00
Latvian American Disabled Veterans, Ir	C	\$9,460.75	\$0.00	\$0.00	\$0.00	\$9,460.75	\$0.00	\$9,460.75	\$0.00
Latvian Church Camp	C	\$965,158.79	\$0.00	\$0.00	\$0.00	\$965,158.79	\$0.00	\$965,158.79	\$0.00
Lewisboro Elementary School	C	\$5,999,275.94	\$0.00	\$0.00	\$0.00	\$5,999,275.94	\$0.00	\$5,999,275.94	\$0.00
Lifside at Hunter Mountain	C	\$842,021.31	\$0.00	\$0.00	\$0.00	\$842,021.31	\$0.00	\$842,021.31	\$0.00

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Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
Lincoln Hall School	C	\$5,244,707.03	\$0.00	\$0.00	\$0.00	\$5,244,707.03	\$0.00	\$5,244,707.03	\$0.00
Mahopac Central Schools	A	\$6,758,721.00	\$874,672.51	(\$206,487.28)	\$1,081,159.79	\$6,503,494.22	\$11,238.03	\$6,492,256.19	\$255,226.78
Mahopac Village Center	C	\$2,375,810.96	\$0.00	\$0.00	\$0.00	\$2,375,810.96	\$0.00	\$2,375,810.96	\$0.00
Maple Hill Estates H. O. A. Inc. Sewage	C	\$3,521,973.71	\$0.00	\$0.00	\$0.00	\$3,521,973.71	\$0.00	\$3,521,973.71	\$0.00
Meadows at Cross River	C	\$5,080,092.24	\$0.00	\$0.00	\$0.00	\$5,080,092.24	\$0.00	\$5,080,092.24	\$0.00
Michelle Estates Sewer Works Corp.	C	\$4,238,731.76	\$0.00	\$0.00	\$0.00	\$4,238,731.76	\$0.00	\$4,238,731.76	\$0.00
Morningstar Foods, Inc./Ultra Dairy	C	\$1,129,880.16	\$0.00	\$0.00	\$0.00	\$1,129,880.16	\$0.00	\$1,129,880.16	\$0.00
Mountain View Estates	C	\$3,616,134.98	\$0.00	\$0.00	\$0.00	\$3,616,134.98	\$0.00	\$3,616,134.98	\$0.00
Mt. Ebo Corporate Center	C	\$3,886,790.69	\$0.00	\$0.00	\$0.00	\$3,886,790.69	\$0.00	\$3,886,790.69	\$0.00
North Salem Middle School	A	\$3,868,380.00	\$81,201.91	\$0.00	\$81,201.91	\$627,742.70	\$0.00	\$627,742.70	\$3,240,637.30
NYS DOT Engineer's HQs	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Olive Woods	A	\$2,573,445.00	\$0.00	\$0.00	\$0.00	\$2,548,621.32	\$0.00	\$2,548,621.32	\$24,823.68
Onteora Jr.-Sr. High School	C	\$883,376.00	\$0.00	\$0.00	\$0.00	\$845,723.47	\$0.00	\$845,723.47	\$37,652.53
Oorah Catskill Retreat, LLC	C	\$3,882,569.34	\$0.00	\$0.00	\$0.00	\$3,882,569.34	\$26,911.88	\$3,855,657.46	\$0.00
Palace Hotel	C	\$70,520.87	\$0.00	\$0.00	\$0.00	\$70,520.87	\$0.00	\$70,520.87	\$0.00
Pepsi-Cola	C	\$666,466.19	\$0.00	\$0.00	\$0.00	\$666,466.19	\$0.00	\$666,466.19	\$0.00
Putnam National Golf Club	A	\$3,597,268.00	\$53,381.31	\$416.36	\$52,964.95	\$3,412,581.62	\$118,155.47	\$3,294,426.15	\$184,686.38
Putnam Nursing and Rehabilitation Center	C	\$2,598,614.50	\$0.00	\$0.00	\$0.00	\$2,598,614.50	\$0.00	\$2,598,614.50	\$0.00
Ralph Morando Bldg.	C	\$1,525,908.91	\$3,732.90	(\$20,674.78)	\$24,407.68	\$1,525,908.91	\$0.00	\$1,525,908.91	\$0.00
Random Farms Homeowners Association	A	\$478,865.00	\$0.00	\$0.00	\$0.00	\$240,734.93	\$0.00	\$240,734.93	\$238,130.07
Reed Farm Condominiums	C	\$1,923,755.81	\$0.00	\$0.00	\$0.00	\$1,923,755.81	\$0.00	\$1,923,755.81	\$0.00
Regis Hotel	C	\$663,907.90	\$0.00	\$0.00	\$0.00	\$663,907.90	\$0.00	\$663,907.90	\$0.00
Riverwoods/ Fox Hollow	A	\$826,626.00	\$0.00	\$0.00	\$0.00	\$447,706.85	\$0.00	\$447,706.85	\$378,919.15
Ron De Voo Restaurant	C	\$1,292,970.74	\$0.00	\$0.00	\$0.00	\$1,292,970.74	\$0.00	\$1,292,970.74	\$0.00
Roxbury Run Village	C	\$986,152.59	\$0.00	\$0.00	\$0.00	\$986,152.59	\$0.00	\$986,152.59	\$0.00
Selena's Diner	C	\$144,634.55	\$0.00	\$0.00	\$0.00	\$144,634.55	\$0.00	\$144,634.55	\$0.00

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Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
SEVA Institute	A	\$2,378,525.00	\$539,434.87	\$21,424.85	\$518,010.02	\$2,195,541.43	\$21,424.85	\$2,174,116.58	\$182,983.57
Seven Springs Sewer Corp.	C	\$3,679,969.07	\$0.00	\$0.00	\$0.00	\$3,679,969.07	\$0.00	\$3,679,969.07	\$0.00
Shop-Rite Plaza	C	\$1,113,529.85	\$0.00	\$0.00	\$0.00	\$1,113,529.85	\$0.00	\$1,113,529.85	\$0.00
Society Hill Condominiums	C	\$2,624,436.01	\$0.00	\$0.00	\$0.00	\$2,624,436.01	\$0.00	\$2,624,436.01	\$0.00
Somers High School	C	\$6,645,945.00	\$4,230.00	(\$21,594.95)	\$25,824.95	\$6,563,957.58	\$75.00	\$6,563,882.58	\$81,987.42
Somers Intermediate School	C	\$2,526,104.00	\$0.00	\$0.00	\$0.00	\$2,526,104.00	\$0.00	\$2,526,104.00	\$0.00
Somers Manor Nursing Home	A	\$3,488,518.00	\$0.00	(\$138,680.23)	\$138,680.23	\$3,461,735.89	\$0.00	\$3,461,735.89	\$26,782.11
Somers Office Building Complex	C	\$6,025,469.28	\$0.00	\$0.00	\$0.00	\$6,025,469.28	\$0.00	\$6,025,469.28	\$0.00
South Kortright Center for Boys	C	\$2,551,640.10	\$0.00	\$0.00	\$0.00	\$2,551,640.10	\$0.00	\$2,551,640.10	\$0.00
St. Mary of the Assumption		\$556,578.00	\$0.00	\$0.00	\$0.00	\$263,548.88	\$0.00	\$263,548.88	\$293,029.12
Thompson House	C	\$788,165.26	\$0.00	\$0.00	\$0.00	\$788,165.26	\$0.00	\$788,165.26	\$0.00
Thunder Ridge Ski Area	A	\$1,042,890.00	\$27,133.87	\$0.00	\$27,133.87	\$684,956.34	\$0.00	\$684,956.34	\$357,933.66
Town of Patterson	A	\$4,489,530.91	\$0.00	\$0.00	\$0.00	\$4,489,530.91	\$0.00	\$4,489,530.91	\$0.00
Towne Centre	A	\$1,172,220.00	\$71,751.37	\$0.00	\$71,751.37	\$709,729.42	\$0.00	\$709,729.42	\$462,490.58
Village of Delhi	A	\$7,510,788.58	\$0.00	\$0.00	\$0.00	\$7,510,788.58	\$0.00	\$7,510,788.58	\$0.00
Village of Hobart	A	\$3,919,862.55	\$0.00	\$0.00	\$0.00	\$3,914,539.40	\$0.00	\$3,914,539.40	\$5,323.15
Village of Stamford	C	\$5,244,635.99	\$0.00	\$0.00	\$0.00	\$5,244,635.99	\$29,094.12	\$5,215,541.87	\$0.00
Village of Walton	C	\$9,962,308.34	\$0.00	\$0.00	\$0.00	\$9,962,308.34	\$55,714.63	\$9,906,593.71	\$0.00
Waccabuc Country Club	A	\$4,671,095.25	\$28,269.51	(\$169,723.62)	\$197,993.13	\$4,632,425.36	\$0.00	\$4,632,425.36	\$38,669.89
Walter Panas High School	A	\$4,239,890.00	\$2,538,732.85	\$116,145.02	\$2,422,587.83	\$3,182,278.08	\$116,145.02	\$3,066,133.06	\$1,057,611.92
Watchtower Educational Center	C	\$2,409,067.22	\$0.00	\$0.00	\$0.00	\$2,409,067.22	\$0.00	\$2,409,067.22	\$0.00
Whistle Tree	C	\$615,405.23	\$0.00	\$0.00	\$0.00	\$615,405.23	\$0.00	\$615,405.23	\$0.00
White Birches Campsites, Inc.	C	\$16,607.05	\$0.00	\$0.00	\$0.00	\$16,607.05	\$0.00	\$16,607.05	\$0.00
Wild Oaks Utilities	A	\$8,357,595.33	\$9,280.40	(\$322,814.32)	\$332,094.72	\$8,241,094.52	\$0.00	\$8,241,094.52	\$116,500.81
Williamsburg Ridge Homeowners Assoc	C	\$1,497,878.46	\$0.00	\$0.00	\$0.00	\$1,497,878.46	\$0.00	\$1,497,878.46	\$0.00
Windham Mountain	C	\$748,821.73	\$0.00	\$0.00	\$0.00	\$748,821.73	\$0.00	\$748,821.73	\$0.00

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		Net Requested	Retained	Released	Net Requested	Retained	Released		
Windham Mountain Village	C	\$187,201.49	\$0.00	\$0.00	\$0.00	\$187,201.49	\$0.00	\$187,201.49	\$0.00
Windham Ridge Club	C	\$1,219,718.99	\$0.00	\$0.00	\$0.00	\$1,219,718.99	\$0.00	\$1,219,718.99	\$0.00
Worcester Creameries, Corp.	A	\$10,873,703.00	\$5,756,071.98	\$280,107.02	\$5,475,964.96	\$9,824,219.37	\$299,373.75	\$9,524,845.62	\$1,049,483.63
Yeshiva Kehilath Yakov	A	\$4,133,700.00	\$36,447.68	(\$166,875.50)	\$203,323.18	\$4,105,567.02	\$0.00	\$4,105,567.02	\$28,132.98
Yorktown Heights S.D.	C	\$19,957,837.59	\$0.00	\$0.00	\$0.00	\$19,957,837.59	\$0.00	\$19,957,837.59	\$0.00
Regulatory Totals:		\$348,804,641.51	\$10,802,761.21	(\$918,857.63)	\$11,721,618.84	\$330,558,525.69	\$833,320.19	\$329,725,205.50	\$18,246,115.82

A = Contracted Amount includes one or more amendments. Details of the amendments are shown on the Upgrade Contract Amendment Amounts Report.

C = Facility has been closed out. Details of the closeout are shown on the Upgrade Contract Amendment Amounts Report.

Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

SPT

Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
Bataviakill Recreation Area	A	\$39,957.50	\$0.00	\$0.00	\$0.00	\$39,957.50	\$0.00	\$39,957.50	\$0.00
Blackberry Hill Sanitary Sewer District	A	\$118,400.00	\$0.00	\$0.00	\$0.00	\$118,400.00	\$0.00	\$118,400.00	\$0.00
Brewster Central Schools	C	\$236,397.14	\$0.00	\$0.00	\$0.00	\$236,397.14	\$0.00	\$236,397.14	\$0.00
Brewster Heights Sewer District #1	A	\$117,150.00	\$0.00	\$0.00	\$0.00	\$117,150.00	\$0.00	\$117,150.00	\$0.00
Camp L'man Achai	A	\$49,854.00	\$0.00	\$0.00	\$0.00	\$49,854.00	\$0.00	\$49,854.00	\$0.00
Camp Ludington	A	\$63,468.33	\$0.00	\$0.00	\$0.00	\$63,468.33	\$0.00	\$63,468.33	\$0.00
Camp Oh-Neh-Tah	A	\$65,000.00	\$0.00	\$0.00	\$0.00	\$65,000.00	\$0.00	\$65,000.00	\$0.00
Camp Timber Lake	A	\$27,000.00	\$0.00	\$0.00	\$0.00	\$27,000.00	\$0.00	\$27,000.00	\$0.00
Carmel Sewer District #2	A	\$294,284.00	\$0.00	\$0.00	\$0.00	\$294,284.00	\$0.00	\$294,284.00	\$0.00
Carmel Sewer District #4	A	\$206,492.00	\$0.00	\$0.00	\$0.00	\$206,492.00	\$0.00	\$206,492.00	\$0.00
Carmel Sewer District #7	A	\$150,000.00	\$0.00	\$0.00	\$0.00	\$150,000.00	\$0.00	\$150,000.00	\$0.00
Clearpool Education Center	C	\$194,545.00	\$0.00	\$0.00	\$0.00	\$194,545.00	\$0.00	\$194,545.00	\$0.00
Clock Tower Commons	A	\$122,833.00	\$0.00	\$0.00	\$0.00	\$122,833.00	\$0.00	\$122,833.00	\$0.00
Delaware-Chenango BOCES	C	\$42,854.51	\$0.00	\$0.00	\$0.00	\$42,854.51	\$0.00	\$42,854.51	\$0.00
Elka Park Association	A	\$120,838.00	\$0.00	\$0.00	\$0.00	\$120,838.00	\$0.00	\$120,838.00	\$0.00
Fox Lane Campus Treatment Center	C	\$112,406.78	\$9,656.78	\$0.00	\$9,656.78	\$112,406.78	\$0.00	\$112,406.78	\$0.00
Fox Run Condominiums	A	\$155,000.00	\$0.00	\$0.00	\$0.00	\$155,000.00	\$0.00	\$155,000.00	\$0.00
George Fischer Middle School	A	\$83,524.80	(\$38,059.22)	\$0.00	(\$38,059.22)	\$45,465.58	\$0.00	\$45,465.58	\$38,059.22
Heritage Hills Pollution Control Plant	A	\$361,375.00	\$0.00	\$0.00	\$0.00	\$361,375.00	\$0.00	\$361,375.00	\$0.00
Hill-Sparrow WWTP	C	\$151,465.29	\$0.00	\$0.00	\$0.00	\$151,465.29	\$0.00	\$151,465.29	\$0.00
Holly Stream Condominiums	A	\$105,575.00	\$0.00	\$0.00	\$0.00	\$105,575.00	\$0.00	\$105,575.00	\$0.00
Hunter Highlands	C	\$97,500.05	\$0.00	\$0.00	\$0.00	\$97,500.05	\$0.00	\$97,500.05	\$0.00
Hunter's Glen Master Association, Inc.	A	\$163,403.48	\$0.00	\$0.00	\$0.00	\$163,403.48	\$0.00	\$163,403.48	\$0.00
Increase Miller Elem. School	C	\$52,078.96	\$0.00	\$0.00	\$0.00	\$52,078.96	\$0.00	\$52,078.96	\$0.00
K'Hal Adas Kashau Rabbinical College	C	\$158,154.53	\$0.00	\$0.00	\$0.00	\$158,154.53	\$0.00	\$158,154.53	\$0.00
Lewisboro Elementary School	C	\$76,290.02	\$0.00	\$0.00	\$0.00	\$76,290.02	\$0.00	\$76,290.02	\$0.00

Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

SPT

Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
Lincoln Hall School	C	\$130,209.00	\$0.00	\$0.00	\$0.00	\$130,209.00	\$0.00	\$130,209.00	\$0.00
Mahopac Central Schools	A	\$180,000.00	\$90,000.00	\$0.00	\$90,000.00	\$90,000.00	\$0.00	\$90,000.00	\$90,000.00
Mahopac Village Center	A	\$75,000.00	\$0.00	\$0.00	\$0.00	\$75,000.00	\$0.00	\$75,000.00	\$0.00
Maple Hill Estates H. O. A. Inc. Sewage	A	\$150,035.00	\$0.00	\$0.00	\$0.00	\$150,035.00	\$0.00	\$150,035.00	\$0.00
Meadows at Cross River	A	\$225,478.33	\$0.00	\$0.00	\$0.00	\$225,478.33	\$0.00	\$225,478.33	\$0.00
Michelle Estates Sewer Works Corp.	A	\$148,418.56	\$0.00	\$0.00	\$0.00	\$96,311.81	\$0.00	\$96,311.81	\$52,106.75
Mountain View Estates	C	\$104,579.75	\$0.00	\$0.00	\$0.00	\$104,579.75	\$0.00	\$104,579.75	\$0.00
Mt. Ebo Corporate Center	C	\$214,045.00	\$0.00	\$0.00	\$0.00	\$214,045.00	\$0.00	\$214,045.00	\$0.00
Olive Woods	A	\$36,775.00	\$0.00	\$0.00	\$0.00	\$36,775.00	\$0.00	\$36,775.00	\$0.00
Oorah Catskill Retreat, LLC	A	\$31,652.00	\$0.00	\$0.00	\$0.00	\$31,652.00	\$0.00	\$31,652.00	\$0.00
Pepsi-Cola	A	\$55,092.00	\$0.00	\$0.00	\$0.00	\$55,092.00	\$0.00	\$55,092.00	\$0.00
Putnam National Golf Club	A	\$114,320.00	\$28,580.00	\$0.00	\$28,580.00	\$114,320.00	\$0.00	\$114,320.00	\$0.00
Putnam Nursing and Rehabilitation Center	A	\$82,284.00	\$0.00	\$0.00	\$0.00	\$82,284.00	\$0.00	\$82,284.00	\$0.00
Reed Farm Condominiums	C	\$129,007.86	\$0.00	\$0.00	\$0.00	\$129,007.86	\$0.00	\$129,007.86	\$0.00
Roxbury Run Village	A	\$88,559.00	\$0.00	\$0.00	\$0.00	\$88,559.00	\$0.00	\$88,559.00	\$0.00
Seven Springs Sewer Corp.	C	\$152,942.68	\$0.00	\$0.00	\$0.00	\$152,942.68	\$0.00	\$152,942.68	\$0.00
Society Hill Condominiums	A	\$109,000.00	\$0.00	\$0.00	\$0.00	\$109,000.00	\$0.00	\$109,000.00	\$0.00
Somers High School	C	\$157,500.00	\$0.00	\$0.00	\$0.00	\$88,271.36	\$0.00	\$88,271.36	\$69,228.64
Somers Manor Nursing Home	A	\$161,466.00	\$0.00	\$0.00	\$0.00	\$161,466.00	\$0.00	\$161,466.00	\$0.00
Somers Office Building Complex	C	\$134,239.72	\$0.00	\$0.00	\$0.00	\$134,239.72	\$0.00	\$134,239.72	\$0.00
Town of Patterson	A	\$158,060.00	\$0.00	\$0.00	\$0.00	\$158,060.00	\$0.00	\$158,060.00	\$0.00
Village of Delhi	C	\$330,746.86	\$0.00	\$0.00	\$0.00	\$330,746.86	\$0.00	\$330,746.86	\$0.00
Village of Hobart	A	\$142,909.45	\$0.00	\$0.00	\$0.00	\$142,909.45	\$0.00	\$142,909.45	\$0.00
Village of Stamford	C	\$317,893.64	\$0.00	\$0.00	\$0.00	\$317,893.64	\$0.00	\$317,893.64	\$0.00
Village of Walton	C	\$646,337.28	\$0.00	\$0.00	\$0.00	\$646,337.28	\$0.00	\$646,337.28	\$0.00
Waccabuc Country Club	A	\$175,441.00	\$0.00	\$0.00	\$0.00	\$175,441.00	\$0.00	\$175,441.00	\$0.00

Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

SPT

Facility Name		Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining
			Net Requested	Retained	Released	Net Requested	Retained	Released	
Watchtower Educational Center	A	\$66,293.88	\$0.00	\$0.00	\$0.00	\$66,293.88	\$0.00	\$66,293.88	\$0.00
Wild Oaks Utilities	A	\$165,545.00	\$0.00	\$0.00	\$0.00	\$165,545.00	\$0.00	\$165,545.00	\$0.00
Williamsburg Ridge Homeowners Assn	A	\$58,248.36	\$0.00	\$0.00	\$0.00	\$58,248.36	\$0.00	\$58,248.36	\$0.00
Worcester Creameries, Corp.	A	\$231,072.00	\$0.00	\$0.00	\$0.00	\$223,956.71	\$0.00	\$223,956.71	\$7,115.29
Yeshiva Kehilath Yakov	A	\$216,200.00	\$110,300.00	\$0.00	\$110,300.00	\$216,200.00	\$0.00	\$216,200.00	\$0.00
Yorktown Heights S.D.	A	\$776,948.00	\$0.00	\$0.00	\$0.00	\$776,948.00	\$0.00	\$776,948.00	\$0.00
SPT Totals:		\$9,132,146.76	\$200,477.56	\$0.00	\$200,477.56	\$8,875,636.86	\$0.00	\$8,875,636.86	\$256,509.90

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Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

SPDES

Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
Bread Alone	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Camp L'man Achai		\$72,500.00	\$0.00	\$0.00	\$72,500.00	\$0.00	\$72,500.00	\$0.00	
Camp Loyaltown	C	\$270,228.21	\$0.00	\$0.00	\$270,228.21	\$0.00	\$270,228.21	\$0.00	
Colonel Chair Estates-Block 8	C	\$534,823.50	\$0.00	\$0.00	\$534,823.50	\$0.00	\$534,823.50	\$0.00	
Delaware-Chenango BOCES	C	\$421,385.69	\$0.00	\$0.00	\$421,385.69	\$0.00	\$421,385.69	\$0.00	
Elka Park Association	C	\$25,170.54	\$0.00	\$0.00	\$25,170.54	\$0.00	\$25,170.54	\$0.00	
Hunter Highlands	A	\$25,543.22	\$0.00	\$0.00	\$25,543.22	\$0.00	\$25,543.22	\$0.00	
Latvian Church Camp	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Liftside at Hunter Mountain	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Mountain View Estates	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Olive Woods	A	\$7,219.00	\$0.00	\$0.00	\$7,218.99	\$0.00	\$7,218.99	\$0.01	
Onteora Jr.-Sr. High School	C	\$416,046.57	\$14,203.59	\$0.00	\$410,272.16	\$0.00	\$410,272.16	\$5,774.41	
Oorah Catskill Retreat, LLC	C	\$5,172.25	\$0.00	\$0.00	\$5,172.25	\$0.00	\$5,172.25	\$0.00	
Roxbury Run Village	C	\$46,810.00	\$0.00	\$0.00	\$46,810.00	\$0.00	\$46,810.00	\$0.00	
SEVA Institute	A	\$22,064.30	\$0.00	\$0.00	\$22,064.30	\$0.00	\$22,064.30	\$0.00	
Village of Delhi	A	\$19,535.69	\$0.00	\$0.00	\$19,535.69	\$0.00	\$19,535.69	\$0.00	
Village of Hobart	A	\$864,230.00	\$26,593.84	\$0.00	\$514,098.39	\$0.00	\$514,098.39	\$350,131.61	
Village of Stamford	A	\$1,157,068.73	\$0.00	\$0.00	\$1,157,068.73	\$10,905.88	\$1,146,162.85	\$0.00	
Village of Walton	C	\$1,210,864.26	\$0.00	\$0.00	\$1,210,864.26	\$0.00	\$1,210,864.26	\$0.00	
Windham Mountain	C	\$14,501.50	\$0.00	\$0.00	\$14,501.50	\$0.00	\$14,501.50	\$0.00	
SPDES Totals:		\$5,113,163.46	\$40,797.43	\$0.00	\$40,797.43	\$4,757,257.43	\$10,905.88	\$4,746,351.55	\$355,906.03

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Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

Reimb. SPDES

Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining
		Net Requested	Retained	Released	Net Requested	Retained	Released	
Camp L'man Achai	\$2,000.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00	\$0.00
Camp Loyaltown	\$240,234.90	\$0.00	\$0.00	\$0.00	\$240,234.90	\$0.00	\$240,234.90	\$0.00
Camp Nubar	\$21,670.11	\$0.00	\$0.00	\$0.00	\$21,670.11	\$0.00	\$21,670.11	\$0.00
Camp Timber Lake	\$19,623.22	\$0.00	\$0.00	\$0.00	\$19,623.22	\$0.00	\$19,623.22	\$0.00
Frog's House Restaurant	\$14,221.85	\$0.00	\$0.00	\$0.00	\$14,221.85	\$0.00	\$14,221.85	\$0.00
Harriman Lodge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Hunter Highlands	\$5,620.08	\$0.00	\$0.00	\$0.00	\$5,620.08	\$0.00	\$5,620.08	\$0.00
Lifside at Hunter Mountain	\$23,998.50	\$0.00	\$0.00	\$0.00	\$23,998.50	\$0.00	\$23,998.50	\$0.00
Onteora Jr.-Sr. High School	\$25,000.00	\$0.00	\$0.00	\$0.00	\$25,000.00	\$0.00	\$25,000.00	\$0.00
Oorah Catskill Retreat, LLC	\$3,200.00	\$0.00	\$0.00	\$0.00	\$3,200.00	\$0.00	\$3,200.00	\$0.00
Regis Hotel	\$33,750.00	\$0.00	\$0.00	\$0.00	\$33,750.00	\$0.00	\$33,750.00	\$0.00
South Kortright Center for Boys	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Windham Mountain	\$97,409.39	\$0.00	\$0.00	\$0.00	\$97,409.39	\$0.00	\$97,409.39	\$0.00
Reimb. SPDES Totals:	\$486,728.05	\$0.00	\$0.00	\$0.00	\$486,728.05	\$0.00	\$486,728.05	\$0.00

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Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

SPDES I&I

Facility Name		Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining
			Net Requested	Retained	Released	Net Requested	Retained	Released	
Camp L'man Achai	A	\$50,598.00	\$0.00	\$0.00	\$0.00	\$50,598.00	\$0.00	\$50,598.00	\$0.00
Camp Timber Lake	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Delaware-Chenango BOCES	A	\$194,127.21	\$0.00	\$0.00	\$0.00	\$194,127.21	\$0.00	\$194,127.21	\$0.00
Elka Park Association	A	\$59,000.00	\$0.00	\$0.00	\$0.00	\$59,000.00	\$0.00	\$59,000.00	\$0.00
Onteora Jr.-Sr. High School	C	\$96,275.00	\$0.00	\$0.00	\$0.00	\$73,844.00	\$0.00	\$73,844.00	\$22,431.00
SPDES I&I Totals:		\$400,000.21	\$0.00	\$0.00	\$0.00	\$377,569.21	\$0.00	\$377,569.21	\$22,431.00

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Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

I/O&M

Facility Name		Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining
			Net Requested	Retained	Released	Net Requested	Retained	Released	
Brewster Central Schools	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Brewster Heights Sewer District #1	A	\$39,050.00	\$0.00	\$0.00	\$0.00	\$39,050.00	\$0.00	\$39,050.00	\$0.00
Camp L'man Achai	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Camp Timber Lake	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Clearpool Education Center	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Clock Tower Commons	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Delaware-Chenango BOCES	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Elka Park Association	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Holly Stream Condominiums	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Hunter's Glen Master Association, Inc.	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
K'Hal Adas Kashau Rabbinical College	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Lincoln Hall School	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mahopac Village Center	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maple Hill Estates H. O. A. Inc. Sewage	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Meadows at Cross River	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mt. Ebo Corporate Center	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Oorah Catskill Retreat, LLC	A	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Putnam Nursing and Rehabilitation Center	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Roxbury Run Village		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Seven Springs Sewer Corp.	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Society Hill Condominiums	C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Waccabuc Country Club	A	\$247,628.75	\$125,087.00	\$0.00	\$125,087.00	\$247,628.75	\$0.00	\$247,628.75	\$0.00
Wild Oaks Utilities	A	\$38,859.67	\$38,580.00	\$0.00	\$38,580.00	\$38,580.00	\$0.00	\$38,580.00	\$279.67

Disbursement Report

New York City Watershed WWTP Upgrade Program

April 1, 2013 through March 31, 2014

I/O&M

Facility Name	Contracted	April 1, 2013 through March 31, 2014			Total			Balance Remaining	
		Net Requested	Retained	Released	Net Requested	Retained	Released		
Yeshiva Kehilath Yakov [A]	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
I/O&M Totals:	\$325,538.42	\$163,667.00	\$0.00	\$163,667.00	\$325,258.75	\$0.00	\$325,258.75	\$279.67	
<p>[A] = Contracted Amount includes one or more amendments. Details of the amendments are shown on the Upgrade Contract Amendment Amounts Report. [C] = Facility has been closed out. Details of the closeout are shown on the Upgrade Contract Amendment Amounts Report.</p>									
TOTALS:		\$364,262,218.41	\$11,207,703.20	(\$918,857.63)	\$12,126,560.83	\$345,380,975.99	\$844,226.07	\$344,536,749.92	\$18,881,242.42

Table I

NEW YORK CITY WATERSHED NEW INFRASTRUCTURE PROGRAM

Program Summary Report for the period: 4/1/2013 through 3/31/2014

Phase: 2

	Amounts for Period			Totals To Date		
	Incurred	Retained	Released	Incurred	Retained	Released
1 - Administration	\$0.00	\$0.00	\$0.00	\$2,294,873.47	\$0.00	\$2,294,873.47
2 - Legal	\$58.50	\$0.00	\$58.50	\$1,317,960.90	\$0.00	\$1,317,960.90
3 - Engineering	\$108,847.38	\$0.00	\$108,847.38	\$15,294,451.07	\$0.00	\$15,294,451.07
4 - Construction	\$620,221.49	\$11,068.36	\$609,153.13	\$62,269,718.61	\$2,967,173.22	\$59,302,545.39
5 - Release Retainage	\$0.00	(\$63,050.33)	\$63,050.33	\$0.00	(\$2,978,131.17)	\$2,978,131.17
TOTALS:	\$729,127.37	(\$51,981.97)	\$781,109.34	\$81,177,004.05	(\$10,957.95)	\$81,187,962.00

Disbursements for Period: 11
Disbursements To Date: 428
Total Program Commitment: \$97,130,501.93
% Program Drawn: 83.58%

Table II

NEW YORK CITY WATERSHED NEW INFRASTRUCTURE PROGRAM
 Facility Summary Report for the period: 4/1/2013 through 3/31/2014

Phase: 2	Max Permitted Flow (gpd)	Total Contract Amount	Amounts for Period		Total Released To Date	Total Incurred To Date	% Drawn To Date
			Incurred	Retained			
Town of Andes	62,000	\$6,250,000.00	\$0.00	\$0.00	\$6,249,999.28	\$6,246,286.17	99.94%
Village of Fleischmanns	146,000	\$12,806,246.50	\$0.00	\$0.00	\$12,806,246.50	\$12,806,246.50	100.00%
Village of Hunter	338,400	\$19,241,000.00	\$0.00	\$0.00	\$19,240,999.98	\$19,233,317.72	99.96%
Town of Prattsville	86,000	\$8,238,137.43	\$0.00	\$0.00	\$8,238,132.68	\$8,238,132.64	100.00%
Town of Roxbury	100,000	\$10,264,118.00	\$194,886.75	(\$187.50)	\$10,264,118.00	\$10,264,118.00	100.00%
Town of Shandaken	185,000	\$17,211,000.00	\$0.00	\$0.00	\$1,456,257.58	\$1,456,257.58	8.46%
Town of Windham	373,800	\$23,120,000.00	\$534,240.62	(\$51,794.47)	\$22,932,207.98	\$22,932,645.44	99.19%
TOTALS:		\$97,130,501.93	\$729,127.37	(\$51,981.97)	\$81,187,962.00	\$81,177,004.05	83.58%

FAB Water Projects
Through March 31, 2014

FAB Water projects Open:

Huntington (T)
Oyster Bay (T)
Shawangunk (T)

FAB Water projects Open and Active:

FAB Water projects Open and Inactive:

Huntington (T)
Oyster Bay (T)
Shawangunk (T)

Funds Available (includes retainage) – Active projects:

Applicant	Funds Available
Total	\$0.00

Funds Available – (includes retainage) - Inactive Projects:

Applicant	Funds Available
Huntington (T)	\$81,304.48
Oyster Bay (T)	\$235,251.56
Shawangunk (T)	\$260,000.00
Total	\$576,556.04

**Clean Vessel Assistance Program
Disbursement Summary Report
04/01/2013 to 03/31/2014**

Program	Count*	Requested Amt*	Contract Amt*	Disbursed Amt*
Construction:	15	\$510,637.30	\$375,170.36	\$360,895.11
Information & Education:	2	\$15,891.00	\$6,841.25	\$6,841.25
O&M Program Year 2012:	26	\$39,000.00	\$79,000.00	\$62,696.30
O&M Program Year 2013:	50	\$2,000.00	\$168,250.00	\$140,528.93
Upgrade:	30	\$709,042.39	\$516,083.30	\$473,513.05
Grand Totals:	123	\$1,276,570.69	\$1,145,344.91	\$1,044,474.64

*Amounts are for projects with a disbursement

Clean Vessel Assistance Program Disbursements by Zone and Area

Parameters

Program: [All]

Status: [All]

Zone: Coastal & Inland

Area: [All]

Begin Date: 04/01/2013

End Date: 03/31/2014

Grant: [All]

Project Name	Payment Amt	Date Paid
Zone: Coastal (Total = \$889,820.11)		
Area: Marine District (LI&NYC) (Total = \$776,167.90)		
Program: Upgrade (Total = \$381,464.38)		
Complete Projects (Total = \$381,464.38)		
Southampton-T Bullhead Bay Boat Replacement 2013	\$59,962.50	2/28/2014
Northport-V Pumpout Boat Motor 2013	\$2,941.50	2/28/2014
Hempstead-T Guy Lombardo Marina Replacement	\$9,235.57	3/27/2014
NYCDEP - World's Fair Marina Upgrade 2013	\$7,449.67	3/27/2014
NYCDEP - Lemon Creek Marina Upgrade 2013	\$7,449.67	3/27/2014
NYCDEP - Hudson River Yacht Club Upgrade 2013	\$7,449.67	3/27/2014
NYCDEP - Hammonds Cove Marina Upgrade 2013	\$7,449.67	3/27/2014
NYCDEP - Coney Island WWTP Upgrade 2013	\$7,449.67	3/27/2014
NYCDEP - Bayside Marina Upgrade 2013	\$7,449.67	3/27/2014
Zone: Inland (Total = \$154,654.53)		
Area: Connected (Total = \$151,254.78)		
Program: Construction (Total = \$127,109.22)		
Complete Projects (Total = \$127,109.22)		
Bolton Landing Marina 2011	\$9,332.19	5/2/2013
Clyde-V Lauraville Landing Village Park	\$13,195.46	5/2/2013
Marina Lighthouse Boat	\$60,000.00	5/31/2013
Ilion-Village Marina and RV Park	\$13,312.44	8/1/2013
Barcombs Marina	\$30,719.73	10/4/2013
Riverside Marina (Yacht Shop) portable pumpout	\$549.40	3/27/2014
Program: O&M Program Year 2012 (Total = \$956.52)		
Complete Projects (Total = \$956.52)		
Diamond Reef Yacht Club - O&M 2012	\$456.52	5/31/2013
Village of Holley - O&M 2012	\$500.00	10/4/2013
Program: O&M Program Year 2013 (Total = \$1,025.55)		
Complete Projects (Total = \$1,025.55)		
Schuyler Yacht Basin O&M 2013	\$1,025.55	1/24/2014
Program: Upgrade (Total = \$22,163.49)		
Complete Projects (Total = \$22,163.49)		
Brewerton Boat Yard Replacement	\$13,390.49	12/20/2013
Waterford Harbor Visitor Center	\$8,773.00	1/24/2014
Area: Isolated (Total = \$3,399.75)		
Program: Construction (Total = \$3,399.75)		
Complete Projects (Total = \$3,399.75)		
Edinburg Marina Pumpout Replacement 2013	\$3,399.75	2/28/2014
Number of Projects:		123
Total:		\$1,044,474.64

Kensico Septic System Remediation Reimbursement Program FINANCIAL STATEMENT (4/1/2013 through 3/31/2014)

Summary Information:

Number of properties contacted: <input style="width: 50px;" type="text" value="671"/>	Amount disbursed this period: <input style="width: 100px;" type="text" value="\$35,688.87"/>	Program Total Amount: <input style="width: 100px;" type="text" value="\$2,800,000.00"/>
Number of properties responded: <input style="width: 50px;" type="text" value="195"/> (29.1%)	Amount disbursed to date: <input style="width: 100px;" type="text" value="\$186,453.09"/>	Program Amount Available: <input style="width: 100px;" type="text" value="\$2,613,546.91"/>
Number of properties participating: <input style="width: 50px;" type="text" value="18"/> (2.7%)		

Owner	Swis	Received Date	Requested Amount	Approved Amount	Funded Amount	Inv Rev'd	Proof of Pmt	Check Date	Check Amount
Borer, Alan H	553800107.04-1-18					<input type="checkbox"/>	<input type="checkbox"/>		
Charnas, Howard	0000					<input type="checkbox"/>	<input type="checkbox"/>		
Evans, George	0000	4/1/2013	\$12,536.74	\$12,128.75	\$6,064.38	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	4/11/2013	\$6,064.38
Feighan, Richard	55348910701700010400000000					<input type="checkbox"/>	<input type="checkbox"/>		
Flynn, Stephen M	55348910700900020440000000					<input type="checkbox"/>	<input type="checkbox"/>		
Giacomo, Angelo	5528001012-006					<input type="checkbox"/>	<input type="checkbox"/>		
Giorgio, Stephen	5528001032-007					<input type="checkbox"/>	<input type="checkbox"/>		
Gore, Lawrence E	55360010101300020200000000					<input type="checkbox"/>	<input type="checkbox"/>		
Hoffman, Ari	55348910001700010370000000					<input type="checkbox"/>	<input type="checkbox"/>		
Lashins, Edward	553800107.02-1-20					<input type="checkbox"/>	<input type="checkbox"/>		
Magliocchino, Patrick	55348910701700010190000000					<input type="checkbox"/>	<input type="checkbox"/>		
Maher, Mary J	55348910701700030170000000					<input type="checkbox"/>	<input type="checkbox"/>		
Morris-Albert, Kathleen	55360010800500020010000000					<input type="checkbox"/>	<input type="checkbox"/>		
Motto, Irene M	5528001012-042					<input type="checkbox"/>	<input type="checkbox"/>		
Nayeem, Syed A	55348910700500030230000000					<input type="checkbox"/>	<input type="checkbox"/>		
Plousadis, James	553800107.02-1-4	1/6/2014	\$9,248.97	\$9,248.97	\$4,624.49	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/28/2014	\$4,624.49
Samaha, Ameen L	553800107.01-1-18					<input type="checkbox"/>	<input type="checkbox"/>		
Tulman, Scott B	55360010101300030030000000	10/17/2013	\$51,002.86	\$50,000.00	\$25,000.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	12/3/2013	\$25,000.00

New York State Environmental Facilities Corporation
List of Employees at \$100,000 or more as of 3/31/14

<u>Name</u>	<u>Title</u>	<u>Grade Level</u>	<u>Salary</u>
Matthew J. Driscoll	President and CEO	Non-equated	\$155,000
James R. Levine	Senior Vice President and General Counsel	M-7	\$152,886
Michael D. Malinoski	Controller and Director of Corporate Operations	M-6	\$136,227
Timothy P. Burns	Director of Engineering and Program Management	M-6	\$126,428
Sandra L. Allen	Director of Policy and Planning	M-4	\$123,600
Carl T. Ferrentino	Deputy Counsel	M-4	\$114,961
Tracey Hitchen-Boyd	Deputy Director of Finance	M-4	\$114,961
Judith A. Blackwell	Deputy Counsel	M-4	\$114,961
Maureen L. McGrath	Deputy Director of Corporate Operations	M-4	\$114,961
David S. Bradley	Deputy Director of Engineering and Prog. Mgmt.	M-4	\$114,961
Lance C. Crossett	Deputy General Counsel	M-4	\$106,962
Robert H. Sammons	Asst. to the Director of Eng. and Prog. Mgmt.	M-3	\$104,080
Michael R. Roizman	Assistant Director of Information Technology	M-3	\$104,080
Seth G. Coulter	Asst. Director of Investments and Financial Svcs.	M-3	\$104,080
Michael P. Hale	Deputy Counsel	M-3	\$102,202

RESOLUTION NO. 2005

A RESOLUTION OF THE NEW YORK STATE ENVIRONMENTAL
FACILITIES CORPORATION ADOPTING GUIDELINES FOR
THE DISPOSITION OF PROPERTY

WHEREAS, the Corporation is required by the provisions of Title 5-A of Article 9 of the Public Authorities Law, as added by the Public Authorities Accountability Act of 2005, to adopt guidelines detailing the Corporation's operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the disposal of property, and to designate a Contracting Officer who shall be responsible for the Corporation's compliance with and enforcement of such guidelines, which shall be reviewed and approved annually by the Board of Directors, and filed with the State Comptroller; and

WHEREAS, the Board of Directors desires to adopt Guidelines for the Disposition of Property and to designate a Contracting Officer;

NOW, THEREFORE, BE IT RESOLVED BY THE DIRECTORS OF THE NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION, AS FOLLOWS:

Section 1. The Corporation shall not acquire real property without the Corporation first adopting a policy and procedures with respect to both acquisition and disposition of real property.

Section 2. The Corporation hereby continues its policy of disposition of personal property through coordination with the State's Office of General Services.

Section 3. The Corporation's Procurement Integrity Officer is hereby designated as Contracting Officer under these Guidelines.

Section 4. This resolution shall take effect immediately upon its adoption.



MATTHEW J. DRISCOLL, President and CEO

Report on Personal and Real Property Transactions

Nothing to report for SFY 2013-14.

NYS Environmental Facilities Corporation

Inventory List

2013-14

Inventory Valued over \$5,000

Equipment

Manufacturer	Description	Model
Polycom	Video Conferencing Viewstation 7000e + accessories +cart	Viewstation 7000e
Xerox	Multifunction Print/copy/scanner	238
Dell	Server - Rackmount	KACE 1100S
Toshiba	Estudio Printer	755se
Toshiba	Estudio Printer	456
Dell	Server - Rackmount	PowerEdge R620
Dell	Server - Rackmount	PowerEdge R620
Dell	Server - Rackmount	PowerEdge R620
EMC	SAN	VNX5300
EMC	SAN	VNX5300

Fleet Vehicles

Year	Make	Model
2006	Ford	Escape (Hybrid)
2007	Toyota	Prius (Hybrid)
2007	Honda	Accord (Hybrid)
2008	Chevrolet	Impala (E85)
2008	Chevrolet	Impala (E85)
2008	Nissan	Altima (Hybrid)
2013	Ford	Fusion (Hybrid)
2013	Ford	Fusion (Hybrid)
2013	Ford	Fusion (Hybrid)

Disposed During Period: None

NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION

Code of Ethical Conduct For Board Members, Officers and Employees

I. Purpose

This Policy is intended to describe the implementation of Section 74 of the Public Officers Law (“POL”) and 19 NYCRR Section 932.5 which describes and requires standards of conduct for uncompensated and per diem directors, members and officers such as the Board members of the New York State Environmental Facilities Corporation (“EFC”). In addition, this Policy is intended to describe the implementation of the Public Authorities Accountability Act of 2005 as enacted in Chapter 766 of the Laws of 2005, as amended (the “Public Authorities Act”) as well as certain Executive Orders.

II. Background

Ethics regulations require a Code of Ethical Conduct for uncompensated and per diem board members (19 NYCRR 932.5). In addition, the Public Authorities Act requires a Code of Ethical Conduct for all Board Members, officers and employees of EFC. In accordance with these and other mandates, the following provisions apply to all EFC Board Members, officers and employees.

III. EFC Board Code of Ethical Conduct

Ethical Standards

No Board Member, officer or employee should 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 his or her duties in the public interest to EFC.

No Board Member, officer or employee should accept other employment which will impair that individual’s independence of judgment in the exercise of his or her official duties to EFC.

No Board Member, officer or employee should accept employment or engage in any business or professional activity which will require that individual to disclose confidential information gained by reason of his or her official position or authority with EFC.

No Board Member, officer or employee should disclose confidential information acquired by that individual in the course of his or her official duties with EFC nor use such information to further personal interests.

No Board Member, officer or employee should use or attempt to use that individual's official position with EFC to secure unwarranted personal privileges or exemptions for the Member or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of EFC for private business or other compensated non-governmental purposes.

No Board Member, officer or employee should engage in any transaction as representative or agent of EFC with any business entity in which that individual has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties with EFC.

No Board Member, officer or employee should by that individual's conduct give reasonable basis for the impression that any person can improperly influence him or her, or unduly enjoy his or her favor in the performance of his or her official duties to EFC, or that he or she is affected by the kinship, rank, position or influence of any party or person.

Board Members, officers and employees should abstain from making personal investments in enterprises which that individual has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty to EFC in the public interest and his or her private interest.

Board Members, officers and employees, should endeavor to pursue a course of conduct that will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust with EFC.

Outside Activity

State officers who are required to file annual statements of financial disclosure are prohibited from receiving compensation for appearing or rendering services against the interests of EFC in relation to any matter in the Court of Claims. [Public Officers Law §73(3)(b)]

Board Members, officers and employees who are required to file annual statements of financial disclosure are prohibited from serving as an officer of any political party or political organization or as a member of any political party committee including political party district leader or as a member of a national committee of a political party. [19 NYCRR Part 932.2]

No officer or employee employed on a full time basis, or any firm or association of which such officer or employee is a member, or any corporation, a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by EFC.¹

¹ On April 10, 2006, NYS Ethics Commission staff confirmed that "rates" as contemplated by this subsection do not include interest rates set by EFC on EFC's financings.

Executive Orders

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

1. Governor Paterson's Executive Order No. 7, dated June 18, 2008, with regard to use of state property and prohibited campaign contributions to the Governor; and
2. Governor Cuomo's Executive Order No. 3, dated January 2, 2011, with regard to ethics training.

IV. Violations

In addition to any penalties imposed by an ethics regulatory entity, any Board Member, officer or employee who knowingly and intentionally violates any of the provisions of this policy may be suspended or removed from office or employment in the manner provided by law.

V. 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 taking into account the specific facts and circumstances of each particular instance where an ethical question arises. This Code of Ethical Conduct 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 of Ethical Conduct shall be in addition to any existing policies, guidelines or rules of EFC.

EFC has reviewed and readopted this Code of Ethical Conduct, effective June 26, 2014.

2013/2014 INTERNAL CONTROL CERTIFICATION

New York State Environmental Facilities Corporation
Agency/Authority Name

Matthew J. Driscoll, President and CEO/Joseph J. Martens, Chairman
Agency Head/Chairperson Governing Board

625 Broadway, Albany, NY 12207-2997
Agency/Authority Address

(518) 402-6924
Telephone Number

Maureen L. McGrath
Name of Internal Control Officer

(518) 486-9267
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

6/24/14
Date

2013-14 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.

NYS Environmental Facilities Corp.	6/18/14	Maureen L. McGrath	(518)486-9267
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 NYS Environmental Facilities Corporation ("EFC" or "Corporation") has consistently maintained a well developed system of internal controls. The current and past Presidents of the Corporation have continually stressed the importance of maintaining effective controls over the Corporation's operations through orientation manuals, periodic memos to staff, staff meetings as well as meetings of the Board of Directors, and at the onset of the yearly external audit. In 2014, the President and CEO directed Executive staff to take a comprehensive review of all functions to determine whether the risk level assigned was appropriate. In addition, Executive staff were directed to review all of their divisional responsibilities to determine if new functions could be identified. EFC's primary objective is to provide low cost capital and technical assistance to municipalities and small businesses for environmental and sustainable projects in New York State. 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 Review worksheets to their respective division directors for certification of proper completion. EFC's executive staff is required to certify that their specific functions are operating effectively and as intended. This is completed with input from supervisors and 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. 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 have also begun looking into corporate operations on the whole, which strengthens the overall internal review 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 2013-14.
3. Identify the significant deficiencies revealed during the 2013-14 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 2013-14 to verify test results and expand the testing program.
6. Describe measures instituted to sustain the effectiveness of the internal control program during 2013-14. 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 continues to utilize the Four-Step process for Internal Control. This process works for EFC due to the small size of the organization. The volume of identified functions is smaller, therefore, all of the steps identified in the framework of COSO are addressed. Because all of the internal control function duties 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 2013-14, no functions have been identified as being high-risk. No significant deficiencies were noted during this review cycle. However, a number of functions required to be reviewed this year resulted in the development of CAPs. For example, financial application tracking for the Corporation has been identified as having minor weaknesses that need to be addressed. One weakness noted here is the lack of documentation in procedures to address cash flow projections and credit issues. A CAP was developed, which will address some of the weaknesses by revising the written procedures to include these circumstances. Administrative duties throughout the Corporation have also been identified as a weakness for 2014. Because of advancements in computer technology and more independent work performed by professional level staff, the administrative duties have taken on a different role – one that includes assisting staff with lower level tasks while shifting away from what would be considered the true role of an administrative assistant. In order to address weaknesses associated with this shift in roles, corrective action that has been identified includes training on higher level Microsoft applications and greater involvement in the day to day activities with higher level staff.

Due to the small size of EFC, monitoring of CAPs is maintained efficiently. This year, because of the established review cycle, almost all of the functions required review. The Internal Control Officer reviews the timelines for completion of CAPs and has created a computer generated calendar that includes the proposed due date 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 corrective action has been completed or 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 director has been provided with a copy of the Manager's Guide: Testing Compliance with the Internal Control Requirements. All internal control reviews were monitored by the Internal Control Officer to ensure that each function was reviewed appropriately. Any indication that a review was not completed effectively was questioned. The division director certifies that all appropriate procedures for internal control and review are completed successfully.

There were no significant changes made to the Internal Controls program during 2013-14.

All divisions were provided a copy of OSC's Standards for Internal Controls in New York State Government. The consensus is that EFC currently follows much of the documentation and all 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 an Internal Auditor is needed, and continues to determine there is no need at this time. In addition, EFC is required by law to have an audit conducted each year. KPMG is EFC's contracted outside auditor and is currently on site conducting its financial audit for 2013/2014.

EFC's intranet site is the central repository for all of the Corporation's information. Management generally does not communicate information to all staff via e-mail 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 to effectively contribute to the mission of the Corporation. Some of the subject matter includes Legal information - whistleblower policies, current legislation and ethics requirements; Internal Controls; Human Resources - including policies and procedures, benefit information and required documentation; emergency

information; information technology tips; and OGS and OSC purchasing and travel policies and procedures.

- 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.

All divisions have written procedures for the completion of their functions and all employees have access to their job descriptions and position requirements. The President of the Corporation continually emphasizes the importance of Internal Controls and the adherence to written policies and procedures, through updates of expectations, goals and successes. In addition, the President feels it is important to dialogue with all staff several times a year to outline the roles and responsibilities of each division and individual as well as providing information on upcoming initiatives, responsibilities, and success stories. It is especially critical for EFC at this time due to decreased staff size, greater oversight and reporting requirements to outside entities. In addition, staff are continually reminded of specific policies and where this information can be found. Staff are encouraged frequently to speak with their supervisors or senior management of the Corporate Operations division if they are unsure of any aspect of their job or EFC's operations.

- 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 the Deputy Director of Corporate Operations. The Deputy Director reports to the Controller and Director of Corporate Operations for the functions of the position, but reports directly to the President and CEO for all aspects of EFC's Internal Controls program. The Deputy Director is senior staff and has direct access to all executive staff as well as other senior staff and staff of the Corporation. Because of the general programmatic knowledge the Deputy Director of Corporate Operations is required to maintain, the Internal Controls Officer designation is ideally suited for the individual in this position.

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 employee of the Corporation receives information on the importance of Internal Controls at the onset of employment. These are also permanently available on the Internal Controls page of the Corporation's intranet site. For managers who are required to complete a review of their internal controls, the ICO will meet with any staff requiring assistance and offers that assistance at the beginning of the review cycle. New staff who are directly involved in the review of

internal controls are required by the President and CEO to meet with the ICO to learn the process and requirements of completing their necessary reviews. All staff who have input in their divisions internal controls have at some point met with the Internal Controls Officer. Because EFC is a small authority, this is the most effective means of training those responsible for their respective internal controls.

Each individual responsible for internal controls 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 2014-2015 internal audit plans.
7. Documentation pertaining to the risk-assessment utilized in formulating the 2014-15 audit plans.
8. An indication of which audits in the audit plan for FY 2013-14 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 2013-14 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 2013-14 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, 2013 and March 31, 2014 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.

A Periodic Evaluation of the Need for an Internal Audit Function was completed and sent to the Office of Taxpayer Accountability on February 4, 2010.

**Authorities Budget Office
Policy Guidance**



Authority Mission Statement and Performance Measurements

Name of Public Authority:

New York State Environmental Facilities Corporation

Public Authority's Mission Statement:

Our mission is to provide low-cost capital and expert technical assistance for environmental projects in New York State. Our purpose is to help public and private entities comply with federal and State environmental protection and quality requirements in a cost effective manner that advances sustainable growth. We promote innovative environmental technologies and practices in all of our programs.

Date Adopted:

April 15, 2010

List of Performance Goals (If additional space is needed, please attach):

- ***Maintain Superior Client Services***
- ***Achieve/Sustain Operational Excellence***
- ***Develop/Advance Program Improvements & Innovations***

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 other staff are appointed by the President and CEO.

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 Board of Directors established a Governance Committee to develop policies to be established by the Board to promote honest and ethical conduct by the Corporation's Directors, senior management and employees and to enhance public confidence in the Corporation. Among its responsibilities, the Governance Committee reviews and approves fundamental policies with regard to the Corporation's operations, as well as identifies and makes recommendations to the Board concerning corporate policy issues requiring the Board's attention. Management of the Corporation is responsible for oversight of all functions of the Corporation and is accountable to the President and Board of Directors.

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

Yes

“Legislation that forms the statutory basis of the authority”

§ 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.

“A description of the authority and its board structure”

The New York State Environmental Facilities Corporation (EFC or Corporation) administers the most successful State Revolving Fund (SRF) Programs in the nation. As a public benefit corporation, EFC’s environmental initiatives extend financial and technical assistance to municipalities, non-profits, and small businesses, ensuring that they meet water and air quality regulations. EFC programs also serve to build positive relationships with communities, promote innovative infrastructure solutions, and allow staff to pinpoint the State’s future infrastructure needs.

Our programs include the Clean Water SRF, Drinking Water SRF, Green Infrastructure Grant Program, Storm Mitigation Loan Program, Disaster Assistance Loan Program, Financial Assistance to Business, Clean Vessel Assistance Program, NYC Watershed, Small Business Environmental Assistance Program, Industrial Finance, and the Kensico Septic System Rehabilitation.

The EFC Board is comprised of seven directors, four of whom are appointed with the advice and consent of the NYS Senate. The remaining directors are the Commissioners of the Department of Environmental Conservation (who serves as Chair) and Health, and Secretary of State.

- (i) - Audit Committee – Charles Kruzansky, Chair, Francis T. Corcoran, Vita DeMarchi
- Governance Committee – Vita DeMarchi, Chair, Charles Kruzansky, Francis T. Corcoran
- Finance Committee – Francis T. Corcoran, Chair, Charles Kruzansky, Vita DeMarchi
- (ii) see attached schedule of board meetings and attendance
- (iii) There are six divisions within EFC: **Executive Division** - Responsibilities include oversight of all of the functions of the Corporation, and encompasses the Policy and Planning and Communications Units; **Legal Division** – Responsibilities include providing legal advice for all Corporate matters, litigation management, ethics, all Board activities, contract review, and Public Authorities Control Board matters; **Corporate Operations Division** – Responsibilities include all accounting functions, payroll processing, human resources, support services, budget, procurement and contracts, internal controls, FOIL, and information technology; **Finance Division** – Responsibilities include investment activities, loan structuring, bond sales, credit/borrower surveillance, bond ratings, disbursement of funds, and debt service billings; **Technical Advisory Services Division** – Responsibilities include program and project management of all grant programs within the Corporation, disbursing funds, program development, and consultation and advisory services; and

Division of Engineering and Program Management – Responsibilities include preparing EFC’s Intended Use Plan, program management and guidance to loan applicants, review and approval of engineering agreements, reports/plans and specifications, and to administer the M/WBE program for EFC.

EFC has no subsidiaries.

- (iv) EFC has 107 employees (including two employees assigned from the NYS Department of Environmental Conservation) and they receive the same benefits as New York State employees.

Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.	7			
The policies, practices and decisions of the Board are always consistent with this mission.	7			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	7			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	6	1		
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	3	4		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	6	1		
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	5	2		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	7			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	4	2	1	
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	5	2		
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	7			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	5	1	1	
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	4	2	1	
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	4	2	1	
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	5	2		
Board members demonstrate leadership and vision and work respectfully with each other.	6	1		

Name of Authority: New York State Environmental Facilities Corporation

Date Completed: June 19, 2014

**BY-LAWS
OF
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 26th day of
June, 2014, in Albany
County, State of New York
with the official seal of
the Corporation affixed hereto.



MATTHEW J. DRISCOLL, *President and CEO*

PERFORMANCE MEASUREMENTS REPORT
April 1, 2013 – March 31, 2014

MAINTAIN SUPERIOR CLIENT SERVICES

- The Environmental Facilities Corporation is marking the 25th anniversary of its Clean Water State Revolving Fund (CWSRF) with more than 100 new infrastructure projects ready this year for more than \$1.3 billion in new CWSRF financing. Under the leadership of Governor Cuomo, EFC is also working on infrastructure planning and financing for Nassau and Suffolk counties to fortify their wastewater infrastructure against future storms and also to reverse the damage caused by excess nitrogen seeping into the groundwater. EFC is also preparing a sale this summer of \$213 million in bonds to support new infrastructure and to refinance bonds on previously-approved projects. Combined with EFC equity, more than \$436 million will be invested in 128 drinking water and wastewater infrastructure projects – the largest pool of its kind in the history of EFC.
- Launched the fifth round of the Green Innovation Grant Program (GIGP) funding through Governor Cuomo's Consolidated Funding Application (CFA) and coordinated through the NYS Regional Economic Development Councils. The CFA allows applicants to seek funding from multiple state agencies through one application. Under GIGP 5, \$10.4 million was allocated to 17 green stormwater infrastructure projects across the state.
- Launched the fourth round of the DEC/EFC Wastewater Infrastructure Engineering Planning Grant Program funding. Up to \$2 million will be available through the Program in 2014.

ACHIEVE/SUSTAIN OPERATIONAL EXCELLENCE

- Continued to reduce waste generation and paper usage and increase recycling rates; and
- Continued careful review of all categories of spending.

DEVELOP/ADVANCE PROGRAM INNOVATIONS AND IMPROVEMENTS

- Storm Mitigation Loan Program (SMLP) - The Disaster Relief Appropriations Act, 2013, enacted on January 29, 2013 (the Disaster Relief Act), provides for \$500 million in infrastructure funds for the CWSRF program and \$100 million for the DWSRF program to be made available to certain municipalities impacted in New York and New Jersey as a result of Hurricane Sandy. The Corporation has created the Storm Mitigation Loan Program to implement the Disaster Relief Act. The financing of the SMLP projects will offer \$340 million through the CWSRF and \$68 million through the DWSRF as a blend of 25% grant and 75% zero-interest loan. The Disaster Relief Act funds will be available for disbursement through July 2019.

- Disaster Assistance Loan Program (DALP) – DALP is available to eligible SRF municipalities in a jurisdiction subject to a Federal disaster declaration eligible for FEMA Public Assistance, FEMA 406 or 404 mitigation, or other federal grant programs and, subsequent to August 27, 2011, have either experienced damage from the disaster to their treatment works and related conveyance systems, or commenced mitigation projects to protect their treatment works and related conveyance systems. All DALP project costs must be CWSRF-eligible and funds disbursed through the DALP can only be used to repair disaster-related damage, replace disaster-related damaged equipment or systems, and/or disaster mitigation projects at municipally-owned treatment works and their conveyance systems for costs that are expected to be reimbursed through FEMA or other federal grant programs.
- EPA’s authorization of the expansion of subsidy benefit for the DWSRF non-hardship recipients. EFC has submitted a proposal to EPA for implementation of 30-year subsidization.
- Implemented changes to the CWSRF application process to allow municipalities with ready projects the ability to begin addressing water quality issues and create jobs in their communities. These changes establish a complete application submission deadline, streamlines EFC’s internal process, and establishes an Application Coordinator to facilitate process oversight;
- Continued to seek opportunities for participation by MWBEs in both EFC Corporate Procurements and through the SRF Programs. For SFY 2013-2014, EFC Corporate procurements achieved an MWBE participation of 32%. The MWBE participation for the SRF programs for the same period was 29%. Continued EFC’s ongoing MWBE Program outreach efforts to potential EFC contractors, municipal officials, and SRF project Minority Business Officers (MBOs). This outreach serves to help educate SRF recipients of their obligations under the program, as well as contractors and MWBEs of the opportunities and obligations under both the EFC Corporate and the SRF programs.

“Description of Services Purchased Without Competitive Bidding”

Nothing to report for 2013-14.

Statement Regarding Litigation Pursuant to Section 2800(17) of the Public Authorities Law

Identity of Action: *George S. Theodore v. Town of Putnam, A New York Municipal Corporation, Town of Ticonderoga, A New York Municipal Corporation, Environmental Facilities Corporation, A New York Corporation*, (United States District Court, District of Massachusetts), Civil Action No. 1.11-cv-11908-wgy (the ‘Theodore Action’’).

Claim for Relief: This is a civil action brought by plaintiff alleging tortious conduct by EFC in connection with a wastewater collection facility project in the Town of Putnam which was, in part, financed by EFC under the Clean Water State Revolving Fund Program. The summons and complaint was served on EFC on November 23, 2011. The complaint alleges that EFC wrongfully issued inappropriate directives and made inappropriate demands without reservation upon the Town of Putnam and colluded with the Town of Putnam to obfuscate and withhold material information in complete disregard of the rights of plaintiff and other property owners from whom they extracted or attempted to extract property rights without payment in relation to the project in violation of the Fifth and Fourteenth Amendments to the United States Constitution.

Status: EFC retained the law firm of Gonzalez, Saggio & Harlan LLP to represent it in this action and filed a motion in the district court to: (i) dismiss plaintiff’s complaint for lack of person jurisdiction and failure to state a claim upon which relief could be granted; and (ii) in the event plaintiff’s complaint was not dismissed, that the action be transferred to the United States District Court for the Northern District of New York (“NDNY”). The district court, by order dated February 17, 2012, dismissed all claims against EFC. Motions to dismiss by the Town of Putnam and the Town of Ticonderoga were denied solely as to the claim of an unconstitutional taking without compensation and the venue of the action was transferred to the NDNY. Plaintiff subsequently moved for permission from the district court for a motion to amend his complaint, which was denied by order of the district court dated March 6, 2012. Plaintiff then filed an appeal with the United States Court of Appeals for the First Circuit. The Court of Appeals, by judgment dated May 9, 2012, dismissed plaintiff’s appeal for lack of jurisdiction, stating that United States Courts of Appeals have jurisdiction only over appeals from final decisions of the district courts. The Court of Appeals held that the district court did not issue a partial judgment concerning the dismissed claims and parties, so those dismissals were not yet final. Accordingly, the Court of Appeals ruled that neither the dismissals of certain claims and parties nor the transfer of the case to the NDNY constitute final decisions that could confer jurisdiction on an appellate court. The case was ordered for trial on the NDNY’s September 2012 trial list. Once a final decision has been reached by the NDNY, the Court of Appeals would have jurisdiction to review any appeal filed in connection with that decision. At trial, plaintiff adduced no evidence of damages and, therefore, the NDNY entered judgment against plaintiff. Plaintiff filed an appeal in connection with the NDNY’s judgment in the United States Court of Appeals for the Second Circuit (the “Second Circuit”) against defendants Town of Putnam and Town of Ticonderoga. EFC was not a party to plaintiff’s appeal since the claims against it were previously dismissed. Plaintiff thereafter filed a motion dated March 2, 2013 in the Second Circuit against EFC for a non-binding resolution and clarification of the record, which the Second Circuit construed as a motion for summary judgment. The Second Circuit, by order dated May 21, 2013, denied plaintiff’s motion. The Second Circuit further ordered that the Clerk’s Office for the Second Circuit notify EFC of the pending appeal against defendants Town of Putnam and Town of Ticonderoga, after which the appeal would be permitted to proceed in its ordinary course. Although EFC was not a party to the appeal, plaintiff’s filings continued to try to implicate EFC in some sort of wrongful conduct. The Second Circuit,

by order dated November 26, 2013, affirmed the dismissal of plaintiff's complaint against EFC, even though EFC was not identified as a party to the appeal. The Second Circuit also affirmed the district court's entry of judgment in favor of the Towns. In response to the Second Circuit's order, plaintiff filed a motion for reconsideration in the Second Circuit on December 31, 2013. However, to the extent that there is a pending motion for reconsideration by the Second Circuit, EFC is not a party to that appeal. A final judgment dismissing Theodore's claims against EFC has been affirmed by the Second Circuit. There are no pending claims and no pending action against EFC. In addition, the time frame for filing a petition for review by the U.S. Supreme Court has elapsed. Therefore, the November 26, 2013 order by the Second Circuit effectively concludes this matter.