Housing Trust Fund Corporation

(a Component Unit of the State of New York)

Financial Report

March 31, 2021 and 2020

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Independent Auditor's Report

Board of Directors
Housing Trust Fund Corporation
Albany, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Trust Fund Corporation (Corporation), a component unit of the State of New York, as of and for the years ended March 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements 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 accounting principles generally accepted in the United States of America; 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.

Auditor's 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 auditor's 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 Corporation as of March 31, 2021 and 2020, and the changes in its net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Corporation is the administrator of the New York State Disaster Recovery Program and is subject to regular audits by the U.S. Department of Housing and Urban Development (HUD). As discussed in Note 10d, HUD's Office of Inspector General (HUD IG) has issued seven audit reports. The HUD IG has deemed approximately $752 million in expenses as unsupported and subject to future follow-up. HUD also required the Corporation to begin a Recapture Program, in which amounts disbursed to beneficiaries are requested back due to duplication of benefits or ineligible use of benefits. Management of the Corporation believes it is possible that HUD will enforce repayments on disallowed costs; however, that amount is currently not estimable. Our opinion is not modified with respect to this matter.

Other Matter

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 6, the schedule of other post-employment benefits liability on page 28, the schedule of pension contributions on page 29, and the schedule of proportionate share of the net pension liability on page 30 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

BST+Co.CPAs, LLP

Albany, New York
June 25, 2021

BST

The Housing Trust Fund Corporation (Corporation), a component unit of the State of New York, follows professional guidelines for government financial reporting by including in its annual financial report this discussion of management's views on its financial condition. No new guidelines or reporting methods have been adopted this year that resulted in significant changes to the financial statements. Therefore, management is presenting its discussion and analysis of the Corporation's financial activities for the fiscal year ended March 31, 2021, in a manner similar to last year's presentation.

Financial Highlights

- The Corporation's net position increased by approximately $20,154,500, or about 5%, from 2020 as a result of the current year's operations.
- During the year, the Corporation's revenue from State and Federal appropriations and contracts totaled $2.783 billion, and it expended $2.731 billion to provide decent and affordable housing, improve community infrastructure and facilities, provide economic opportunities, and to aid in the recovery from the impact of Hurricanes Sandy and Irene and Tropical Storm Lee to the citizens of New York State.
- Federal program appropriations and fees accounted for approximately 93.34% of the Corporation's revenue and approximately 91.55% of its expenses, while New York State appropriations were responsible for approximately 6.58% of revenues and approximately 7.20% of expenses.
- Investment revenue and other revenues decreased by approximately $3,768,350 or approximately 63.04% from 2020. This was primarily due a decrease in interest rates.
- The Federal Community Development Block Grant Disaster Recovery Program reached its peak during fiscal year 2016. As a result, revenues decreased by $74 million, or 29%, and expenses decreased by $66 million, or 27%.

Using This Annual Report

This annual report consists of three financial statements: statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows. These statements provide information about the activities of the Corporation as a whole. They tell how the Corporation's programs were financed in the short-term as well as what remains for future spending. Immediately following the financial statements are a series of notes to the financial statements that provide additional information about some specific references in the financial statements. The notes also provide other important information about the Corporation.

Reporting on the Corporation

One of the most important questions asked about the Corporation's finances is, "Is the Corporation, as a whole, better off, or worse off as a result of the year's activities?" The statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows report information about the Corporation in a way that helps answer this question. These financial statements include all assets, deferred outflows, liabilities, deferred inflows, revenues, and expenses using the accrual basis of accounting, which is similar to the procedures followed by most private sector companies.

These three statements report the Corporation's net position and changes in it, and the flow of cash into and out of the Corporation from its activities and investments. You can think of the Corporation's net position, the difference between its assets/deferred outflows of resources and liabilities/deferred inflows of resources, as one way to measure its financial health, or financial position. Over time, increases or decreases in the Corporation's net position are one indicator of whether its financial health is improving or getting worse. The information in these statements helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Corporation's programs.

Using This Annual Report - Continued

Reporting on the Corporation - Continued

All of the Corporation's activities are presented as an enterprise fund, which essentially means that the Corporation reports its activities as most businesses would. While the bottom line is not expressed in terms of profit, but in terms of funds available to provide services to the citizens of New York State, this reporting method presents the Corporation's activities more clearly to its audience. The Corporation's activities consist primarily of providing housing construction and rehabilitation funding, rental and homebuyer subsidies to low income individuals and families and to senior citizens, as well as funding for public facilities improvements and economic development activities from State and Federal appropriations and fees earned from the operation of its Federal Programs.

The Corporation's Overall Financial Condition

The Corporation's combined net position increased from one year ago, increasing overall by approximately $20,154,500 this year, or approximately 5%. This increase was primarily attributable to the increase in funding for the HCV program. The Community Development Block Grant Disaster Recovery Program has reached its maturity and has begun winding down. The decrease in expenditures was offset by increases in funding for programs funded though New York State and the Section 8 Project Based Contract Administration program. Our analysis below focuses on the net position (Table 1) and the changes in net position (Table 2) from the Corporation's activities.

Table 1
Net Position (in millions)

	March 31, 2021	March 31, 2020	March 31, 2019
Cash and investments	$ 473.43	$ 448.39	$ 470.92
Receivable from U.S. HUD	27.65	36.56	7.29
Property held for sale	1.34	1.73	2.83
Other assets	0.21	0.30	0.51
Notes and interest receivable, net	3.42	5.73	4.35
Deferred outflows	10.59	5.57	6.48
Total assets and deferred outflows	516.64	498.28	492.38
Accounts and awards payable	36.69	48.33	30.10
Unearned revenue	7.09	7.92	19.13
Due to other governments	14.50	13.13	14.86
Postemployment benefits other than pensions	10.84	11.41	8.28
Net pension liability	12.07	3.56	1.53
Deferred inflows	4.71	3.35	7.15
Total liabilities and deferred inflows	85.90	87.70	81.05
Net position			
Restricted	326.97	302.10	314.25
Unrestricted	103.77	108.48	97.08
Total net position	$ 430.74	$ 410.59	$ 411.33

Using This Annual Report - Continued

The Corporation's Overall Financial Condition - Continued

Restricted Net Position - represents program funds from Federal and State programs on hand at the end of the fiscal year. This description reflects a recognition that all funds generated by federal and state appropriations and contracts are considered earmarked for the purposes of that appropriation or contract unless specifically available for discretionary use. Restricted net position this year reflects an increase from 2020 of approximately $24.86 million, or 8%

Unrestricted Net Position - represents the portion of net position that can be used to finance day-to-day administrative expenses or additional program awards beyond appropriated levels. Unrestricted net position decreased from 2020 by approximately $4.71 million, or 4%.

Table 2
Changes in Net Position (in millions)

	Years Ended March 31,		
	2021	2020	2019
Revenues			
Program revenue			
Federal programs	$ 2,590.10	$ 2,480.09	$ 2,499.91
State programs	183.28	194.75	132.60
Other revenue			
Investments	2.21	5.98	5.54
Other	10.04	3.60	3.50
Total revenues	2,785.63	2,684.41	2,641.55
Expenses			
Federal programs	2,521.65	2,433.28	2,455.41
State programs	199.08	238.47	188.33
Administrative and other expenses	44.75	13.40	14.09
Total expenses	2,765.48	2,685.15	2,657.83
Increase (decrease) in net position	$ 20.15	$ (0.74)	$ (16.28)

The Corporation's total revenues increased from last year by approximately 3.77%, or $101.22 million, while the total cost of all programs and administration increased by approximately 2.99%, or $80.33 million. These figures show that the Corporation spent approximately $20,155,000 less than it received this year.

Revenue from federal programs increased overall by approximately $116.46 million or 4.69% due primarily to an increase in funding for the Section 8 Project-Based Contract Administration Program, Section 8 Housing Choice Voucher Program and new funding for the COVID Rent Relief Program. The increase in federal revenue was offset by several other federal programs receiving decreases in funding. The Community Development Block Grant Program has decreased funding of $73.8 million.

Using This Annual Report - Continued

The Corporation's Overall Financial Condition - Continued

Expenses from federal programs increased overall by approximately $94.90 million or 3.89% due to an increase in funding for the Section 8 Project-Based Contract Administration Program, Section 8 Housing Choice Voucher Program and new funding for the COVID Rent Relief Program. There was also an increase in administration expense of approximately $21.32 million or 192.21% due primarily to COVID housing assistance needs, including administration of the COVID Rent Relief Program and Board approved assistance for imperiled projects. The increase in federal expenses was offset by a decrease in programs funded through New York State, which decreased approximately $39.4 million or 16.52%.

Economic Factors on Future Operations

The Corporation's ability to accomplish its mission to provide decent and affordable housing to the citizens of New York State, from an economic standpoint, depends almost exclusively on the appropriations and contracts it receives from the Federal and New York State governments. For the April 1, 2021 through March 31, 2022 fiscal year, the Corporation is expecting to receive funding from Federal and New York State at an increased level from previous years. This is primarily due to the COVID-19 response and additional funding from New York for the Governor's Office of Storm Recovery. Community Development Block Grant Disaster Recovery Program funding related to Hurricanes Sandy and Irene, and Tropical Storm Lee is expected to continue for the foreseeable future with expenditures expected to remain roughly consistent with current levels due to the continued disaster recovery efforts.

Contacting the Corporation's Financial Management

This financial report is designed to provide the citizens of New York State, banks, developers, and contractors with whom we do business, and Federal and New York State legislators, regulators, and other government officials with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have any questions about the report or need additional financial information, please contact the Corporation's Treasurer at the Housing Trust Fund Corporation, 38-40 State Street, Albany, New York 12207, by phone at (518) 457-3538, or via e-mail at HTFFinanceUnit@nyshcr.org.

Housing Trust Fund Corporation
(a Component Unit of the State of New York)

Statements of Net Position

	March 31, 2021	March 31, 2020
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash, unrestricted	$ 18,274,240	$ 21,687,459
Cash, federal restricted	42,757,127	36,592,220
Cash, state restricted	81,916,824	81,512,269
Cash, donor restricted	464,075	546,278
Cash, held in escrow	1,290,622	2,668,436
Cash, held for beneficiaries	426,668	1,971,189
Total	145,129,556	144,977,851
Investments, unrestricted	85,184,635	83,908,457
Investments, federal restricted	113,949,556	76,766,608
Investments, state restricted	104,269,351	122,781,178
Investments, donor restricted	1,000,409	995,086
Investments, held in escrow	23,900,075	18,960,938
Total investments	328,304,026	303,412,267
Due from U.S. Department of Housing and Urban Development	27,654,162	36,562,228
Properties held for sale	1,335,000	1,734,237
Other current assets	211,822	296,894
Total current assets	502,634,566	486,983,477
LONG TERM ASSETS		
Mortgage notes receivable, net	1,322,598	2,730,187
Accrued interest receivable, net	2,096,791	3,004,565
Total long term assets	3,419,389	5,734,752
DEFERRED OUTFLOWS	10,589,419	5,566,689
Total assets and deferred outflows	**$ 516,643,374**	**$ 498,284,918**
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 11,300,409	$ 24,003,130
Awards payable	25,387,817	24,329,385
Unearned revenue	7,094,952	7,918,879
Due to other governments	14,501,358	13,129,298
Total current liabilities	58,284,536	69,380,692
LONG TERM LIABILITIES		
Other postemployment benefits	10,836,377	11,410,634
Net pension liability	12,068,283	3,562,638
Total long term liabilities	22,904,660	14,973,272
DEFERRED INFLOWS	4,714,362	3,345,646
Total liabilities and deferred inflows	85,903,558	87,699,610
NET POSITION		
Restricted for Federal Programs	141,645,706	93,245,674
Restricted for State Programs	183,857,926	207,317,502
Restricted by donor	1,464,483	1,541,363
Unrestricted	103,771,701	108,480,769
Total net position	430,739,816	410,585,308
Total liabilities, deferred inflows, and net position	**$ 516,643,374**	**$ 498,284,918**

See accompanying Notes to Financial Statements.

Housing Trust Fund Corporation

(a Component Unit of the State of New York)

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended March 31, 2021	2020
REVENUES		
Federal Section 8 Project - Based Contract Administration Program	$ 1,699,175,697	$ 1,615,300,021
Federal Community Development Block Grant Disaster Recovery	179,532,648	253,818,208
Federal Section 8 Housing Choice Voucher and related programs	599,433,496	532,465,771
Federal Community Development Block Grant Program	44,025,120	40,521,013
Federal Home Investments Partnerships Program	20,686,392	37,980,120
Federal COVID Rent Relief Program	47,250,000	-
State of New York Programs	183,276,851	194,751,071
Investment income and other	2,209,069	5,977,416
Other federal programs	10,043,042	3,595,362
Total revenues	2,785,632,315	2,684,408,982
EXPENSES		
Federal Section 8 Project - Based Contract Administration Program	1,679,397,708	1,595,879,625
Federal Community Development Block Grant Disaster Recovery	178,349,855	244,486,290
Federal Section 8 Housing Choice Voucher and related programs	555,974,949	522,650,003
Federal Community Development Block Grant Program	44,226,618	40,524,832
Federal Home Investments Partnerships Program	18,133,886	29,738,177
Federal COVID Rent Relief Program	45,565,055	-
State of New York programs	199,076,339	238,473,796
Change in provision for contingent loans	2,261,268	(1,234,329)
Administrative	32,426,496	11,096,996
Other federal programs	10,065,633	3,533,500
Total expenses	2,765,477,807	2,685,148,890
CHANGE IN NET POSITION	**20,154,508**	**(739,908)**
NET POSITION, ***beginning of year***	410,585,308	411,325,216
NET POSITION, ***end of year***	**$ 430,739,816**	**$ 410,585,308**

See accompanying Notes to Financial Statements.

Housing Trust Fund Corporation
(a Component Unit of the State of New York)

Statements of Cash Flows

	Years Ended March 31, 2021	2020
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Receipts from		
Federal programs	$ 2,575,028,516	$ 2,503,463,004
New York State programs	183,276,851	194,751,071
Other programs	15,362,366	16,665,082
Total sources of cash	2,773,667,733	2,714,879,157
Payments for		
Federal programs	(2,523,976,783)	(2,478,044,024)
New York State programs	(193,589,706)	(244,464,321)
Other programs	(31,057,780)	(14,904,790)
Total uses of cash	(2,748,624,269)	(2,737,413,135)
	25,043,464	**(22,533,978)**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchases of investments	(354,426,905)	(329,814,384)
Proceeds from the sale of investments	329,535,146	385,305,017
	(24,891,759)	**55,490,633**
Net increase in cash	**151,705**	**32,956,655**
CASH, *beginning of year*	144,977,851	112,021,196
CASH, *end of year*	**$ 145,129,556**	**$ 144,977,851**
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net position	$ 20,154,508	$ (739,908)
Adjustments to reconcile change in net position to cash flows provided (used) by operating activities		
Provision for contingent loans	2,261,268	(1,234,329)
Changes in		
Due from U.S. Department of Housing and Urban Development	8,908,066	(29,272,142)
Other assets	85,072	213,229
Mortgage notes and accrued interest receivables	54,095	(151,559)
Properties held for sale	399,237	1,091,885
Deferred outflows	(5,022,730)	910,884
Accounts payable and accrued liabilities	(12,702,721)	756,409
Awards payable	1,058,432	17,479,277
Unearned revenue	(823,927)	(11,214,671)
Due to other governments	1,372,060	(1,730,242)
Other postemployment benefits	(574,257)	3,127,981
Net pension liability	8,505,645	2,037,002
Deferred inflows	1,368,716	(3,807,794)
	$ 25,043,464	**$ (22,533,978)**

See accompanying Notes to Financial Statements.

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization

The Housing Trust Fund Corporation (Corporation) was established on February 13, 1985, by the Legislature of the State of New York. The Corporation is a component unit of the State of New York and is included in the State's financial statements. The Corporation was initially created to administer low income housing programs within New York State. Effective January 1, 2021 the Corporation's Board of Directors is to be comprised of 9 members; however, 3 positions are vacant. The Board is chaired by the Commissioner of the Division of Housing and Community Renewal (DHCR). The Corporation administers the following significant programs:

<u>Federal</u>

- Section 8 Project-based Contract Administration Program - to provide low income housing rental subsidy to qualified landlords (previously identified as the Housing Assistance Payment Program).
- Community Development Block Grant Program Disaster Recovery - in response to Hurricane Sandy, funding was appropriated to rebuild the affected areas and provide crucial seed money to start the recovery process.
- Section 8 Housing Choice Voucher (HCV) and Related Programs - to provide low income housing rental subsidy to qualified individuals. Related programs are the five-year mainstream program and the moderate rehabilitation program.
- Community Development Block Grant Program - to provide various housing and economic development activities to municipalities in New York State.
- Home Investments Partnerships Program (HOME) - to provide funds for the construction and rehabilitation of low-income housing. development activities to municipalities in New York State.
- COVID Rent Relief – in response to the coronavirus pandemic, funding to be provided to landlords for rent relief of tenants.

<u>State</u>

- Low Income Trust Fund Housing Program - to provide funds for the construction and rehabilitation of low-income housing.
- Public Housing Modernization and Drug Elimination Programs - to provide funds to rehabilitate state run public housing authorities and reduce drug and crime activities.
- Homes for Working Families Program - to provide funds to finance affordable housing for low income families and senior citizens by accessing tax exempt bond financing and low-income housing credits.
- NYS Housing Plan Funds - a multi-year state effort to provide funds for construction and rehabilitation of affordable housing through various subprograms such as the Supportive Housing Opportunities Program (SHOP), Multi-Family Preservation Program (MPP), and the Mobile and Manufactured Housing Program (MMHR) among others.
- Rural Rental Assistance Program - to provide subsidy housing assistance to low income tenants in United States Department of Agriculture (USDA) housing projects.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

b. Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

c. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows, 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 year. Actual results could differ from those estimates.

d. Mortgage Notes and Accrued Interest Receivables

The Corporation considers the collection of the majority of its mortgage notes and accrued interest receivable to be contingent upon certain economic and compliance matters at the mortgagor level, and therefore, collection is not reasonably assured. Accordingly, the Corporation generally reserves all balances, with the exception of certain loans that have specific repayment requirements not contingent upon economic and compliance matters or, balances which based on a review of current and prior payments, indicate that a full allowance is not necessary.

e. Investments

The investment policy of the Corporation follows the guidance of New York State Law and stipulates that the Corporation may invest in obligations of the State of New York, the United States government, repurchase agreements, or money market deposit accounts. Repurchase agreements must be collateralized by obligations guaranteed by the United States government, which are equal in value to the repurchase agreement. The agreements may not exceed sixty days, and payment may be made only upon delivery of collateral to the Corporation's agent. All investments and related collateral are held by the Corporation's agent in the Corporation's name. All investments have a maturity less than one year from the date of acquisition and are reported at amortized cost.

f. Property Acquisition Programs

The Corporation has acquired properties under the CDBG Disaster Recovery Buyout program. As these properties will not be used for service delivery, the Corporation has valued them at net realizable value. The properties acquired under the Buyout program cannot be redeveloped, and it is anticipated that they will be transferred to the State of New York or local governments to aid in environmental preservation. Accordingly, the Corporation has not included the value of Buyout properties in the statement of net position. As of March 31, 2021 and 2020, the Corporation has purchased approximately $146.25M of Buyout properties since the program began in 2013.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

f. Property Acquisition Programs - *Continued*

Properties acquired under the Disaster Recovery Acquisition program may be resold for development purposes. The Corporation disposes of Acquisition properties to qualified bidders under an auction process. The Corporation values these properties at the lower of cost or net realizable value. However, due to the nature of the program, net realizable value is generally lower than cost. The net realizable value of properties held under the Disaster Recovery Acquisition program totaled $1,335,000 and $1,734,237 as of March 31, 2021 and 2020, respectively. The Corporation estimates net realizable value on a non-recurring basis utilizing the most recent property dispositions sold through an auction process.

g. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, deferred inflows of resources related to OPEB, and OPEB expense, the Corporation recognizes benefit payments when due and payable in accordance with the benefit terms.

h. Deferred Outflow and Inflows of Resources

Deferred outflows and inflows of resources consists of changes in assumptions related to the net pension liability (Note 8) and postemployment benefits other than pensions liability (Note 9) and are as follows:

	March 31, 2021		March 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net pension liability related	$ 7,340,273	$ 1,063,844	$ 2,013,044	$ 1,804,348
Other postemployment benefits	3,249,146	3,650,518	3,553,645	1,541,298
Total	$ 10,589,419	$ 4,714,362	$ 5,566,689	$ 3,345,646

i. Restricted Net Position

Restricted net position of the Corporation at March 31, 2021 and 2020 consists of the following:

(a) Restricted Net Position - Federal

Results from funds that accumulate over time from all of the Corporation's federal programs primarily from the sale of properties, mortgage collections, interest on restricted cash accounts, and surplus rental assistance payments accumulated during the current fiscal year. These funds are restricted for allowable program expenses.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Restricted Net Position - Continued

(b) Restricted Net Position - State

Results from funds that accumulate over time from all of the Corporation's state programs primarily from mortgage collections, interest on restricted cash accounts, and as yet unexpended but committed program funds. These funds are restricted for allowable program expenses.

(c) Restricted Net Position - Donors

Results from funds that accumulate over time from various programs requiring escrow reserves. These funds are restricted for allowable program expenses.

j. Revenue Recognition

Federal awards are recognized as revenue at the time allowable and eligible expenses, according to the U.S. Department of Housing and Urban Development (HUD) or other departments, are incurred. The Corporation recognizes appropriations from the State of New York as revenue at the time a certificate of approval of availability of funds is issued by the Division of the Budget of the State of New York and when the applicable expenses are incurred. Investment and other income are recognized as revenue when earned.

All revenue earned by the Corporation is considered operating revenue in support of the programs administered by the Corporation.

k. State of New York Programs

State of New York programs consist of awards primarily to fund the construction of new properties, or the rehabilitation of vacant or under-utilized property, technical assistance expenses, and foreclosure prevention education. Disbursements are made upon approval of certified vouchers. Awards which have approved certified vouchers and are not paid as of March 31 are recorded as awards payable. Technical assistance expenses are primarily construction monitoring, planning, designing, and engineering consulting fees associated with the award contracts, as well as consulting fees for training award applicants.

l. Tax Status

The Corporation is exempt from all federal and state income taxes under the provisions of the enabling legislation.

m. Subsequent Events

The Corporation has evaluated subsequent events for potential recognition or disclosure through June 25, 2021 the date the financial statements were available to be issued.

Note 2 - Cash, Restricted and Unrestricted

At March 31, 2021 and 2020, the Corporation's bank balances with M&T Bank, Bank of America, US and JPMorgan Chase were fully insured by federal depository insurance or by collateral held by the Corporation's agent in the Corporation's name.

Certain cash balances are restricted for programmatic purposes.

Note 3 - Investments, Restricted and Unrestricted

The Corporation's investments are comprised of United States Treasury bills, United States Treasury strips, and agency securities. These investments are carried at amortized cost. All investments mature within one year, and related collateral is held by the Corporation's agent for repurchase agreements in the Corporation's name.

Certain investment balances are restricted for programmatic purposes.

Note 4 - Cash Held for Beneficiaries

Under the Federal Community Development Block Grant Disaster Recovery Program, the Corporation held federally funded cash intended for potential beneficiaries. As of March 31, 2021, and 2020, the Corporation held $426,668 and $1,971,189, respectively, of cash intended for beneficiaries that had not yet been expended for the program.

Note 5 - Assets Held in Escrow

Assets held in escrow were held for the following purposes and programs:

	March 31,	
	2021	2020
Future Post TCap Programs	$ 2,288,160	$ 1,643,194
NYS Division of Housing and Community Renewal Administration	10,851,157	11,149,729
Postemployment benefits other than pensions	11,549,605	8,290,902
Disaster Recovery owner escrow payments	110,516	151,972
Other assets held in escrow	391,259	393,577
	$ 25,190,697	$ 21,629,374

Note 6 - Mortgage Notes and Accrued Interest Receivable

The Corporation administers numerous loan programs as described below. The collections of these mortgages are based upon payment terms contingent with the related underlying debt and regulatory agreements with the Corporation's mortgagors. These agreements call for repayments based upon available cash flows, noncompliance with the regulatory agreement with the Corporation, and other contingent events, such as upon the sale of the underlying real property. The underlying agreements generally require that each mortgagor have an annual audit of its financial statements, including a review of compliance with the regulatory agreement. The Corporation's loans and related allowances for contingent collections are as follows:

	March 31, 2021					
Program	Mortgage Notes Receivable	Allowance for Contingent Loans	Net Mortgage Notes Receivable	Accrued Interest Receivable	Allowance for Contingent Loans	Net Accrued Interest Receivable
HOME	$ 239,194,059	$ (239,194,059)	$ -	$ 9,774,595	$ (9,450,356)	$ 324,239
Housing Assistance Fund	2,000,000	(2,000,000)	-	86,320	(86,320)	-
Housing Trust Fund	898,061,919	(896,784,800)	1,277,119	40,584,629	(39,116,944)	1,467,685
Homes for Working Families	224,218,499	(224,173,020)	45,479	10,993,981	(10,883,798)	110,183
Medicaid Redesign Team Program	76,471,060	(76,471,060)	-	5,006,064	(5,006,064)	-
Subsidy	24,222,871	(24,222,871)	-	3,260,580	(3,260,580)	-
Tax Credit Assistance	89,357,024	(89,357,024)	-	1,912,580	(1,881,618)	30,962
Turnkey	91,076,589	(91,076,589)	-	598,479	(519,554)	78,925
Community Development Block Grant Disaster Recovery	109,396,687	(109,396,687)	-	2,817,434	(2,777,838)	39,596
PIP	19,066,250	(19,066,250)	-	133,291	(131,447)	1,844
Preventative Trouble Asset Program	4,422,148	(4,422,148)	-	-	-	
Rural Community Investment Fund	28,887,267	(28,887,267)	-	281,672	(281,672)	-
Urban Community Investment Fund	41,381,771	(41,381,771)	-	208,871	(198,796)	10,075
New York State Tech and Development	3,000,000	(3,000,000)	-	358,169	(358,169)	-
Office of Persons with Development Disability	14,332,114	(14,332,114)	-	-	-	-
Middle Income Housing	16,637,523	(16,637,523)	-	6,646	-	6,646
New York Housing Plan Funds	172,255,682	(172,255,682)	-	1,355,301	(1,355,301)	-
MIHH Settlement	10,965,548	(10,965,548)	-	87,009	(60,373)	26,636
Mitchell Lama	11,689,314	(11,689,314)	-	55,251	(55,251)	-
Multifamily Preservation Program	2,387,823	(2,387,823)	-	6,136	(6,136)	-
National Disaster Resilience	5,500,000	(5,500,000)	-	-	-	-
	$ 2,084,524,148	$ (2,083,201,550)	$ 1,322,598	$ 77,527,008	$ (75,430,217)	$ 2,096,791

	March 31, 2020					
Program	Mortgage Notes Receivable	Allowance for Contingent Loans	Net Mortgage Notes Receivable	Accrued Interest Receivable	Allowance for Contingent Loans	Net Accrued Interest Receivable
HOME	$ 239,075,965	$ (238,838,535)	$ 237,430	$ 9,111,913	$ (8,549,115)	$ 562,798
Housing Assistance Fund	2,000,000	(2,000,000)	-	71,320	(71,320)	-
Housing Trust Fund	859,493,898	(858,149,934)	1,343,964	37,956,554	(36,023,775)	1,932,779
Homes for Working Families	215,948,138	(214,802,495)	1,145,643	9,915,039	(9,643,847)	271,192
Medicaid Redesign Team Program	75,341,817	(75,341,817)	-	4,386,736	(4,377,386)	9,350
Subsidy	24,222,871	(24,222,871)	-	3,022,963	(3,018,213)	4,750
Tax Credit Assistance	89,138,331	(89,138,331)	-	1,936,132	(1,799,573)	136,559
Turnkey	91,079,739	(91,076,589)	3,150	410,837	(375,893)	34,944
Community Development Block Grant Disaster Recovery	99,689,737	(99,689,737)	-	2,194,927	(2,194,927)	-
PIP	15,937,797	(15,937,797)	-	102,083	(102,083)	-
Preventative Trouble Asset Program	3,938,221	(3,938,221)		-	-	-
Rural Community Investment Fund	23,506,566	(23,506,566)	-	191,256	(178,698)	12,558
Urban Community Investment Fund	27,054,232	(27,054,232)	-	112,333	(91,998)	20,335
New York State Tech and Development	3,000,000	(3,000,000)	-	328,169	(328,169)	-
Office of Persons with Development Disability	11,839,044	(11,839,044)	-	43,443	(43,443)	-
Middle Income Housing	9,334,600	(9,334,600)	-	-	-	-
New York Housing Plan Funds	145,876,362	(145,876,362)	-	603,197	(603,197)	-
MIHH Settlement	9,024,602	(9,024,602)	-	15,000	-	15,000
Mitchell Lama	11,689,314	(11,689,314)	-	41,134	(36,834)	4,300
Multifamily Preservation Program	2,344,632	(2,344,632)	-	-	-	-
National Disaster Resilience	5,500,000	(5,500,000)	-	-	-	-
	$ 1,965,035,866	$ (1,962,305,679)	$ 2,730,187	$ 70,443,036	$ (67,438,471)	$ 3,004,565

Note 7 - Unearned Revenue

The Corporation's unearned revenue is as follows:

	March 31, 2021	March 31, 2020
Housing Choice Voucher	$ 4,233,410	$ 4,002,256
Community Block Grant Disaster Recovery	537,184	2,107,908
Program Income	2,324,358	1,808,715
	$ 7,094,952	$ 7,918,879

The Corporation administers Federal Section 8 Housing Choice Voucher and Related Programs. The Corporation holds Family Self-Sufficiency (FSS) funds on behalf of Section 8 participants. The Corporation is required to disburse the funds to the participants upon completion of certain goals approved by the Corporation, or if the participant fails to complete the program, funds are recognized as additional revenue subject to the restrictions of these programs. The amount of funds held by the Corporation for the Federal Section 8 Housing Choice Voucher and FSS programs is included in restricted cash and restricted investments.

Under the Federal Community Development Block Grant Disaster Recovery Program, the unearned revenue mainly represents federally funded cash intended for potential beneficiaries (see Note 4).

The Corporation receives program income under various programs, which is required to be used for that program. Unearned revenue from program income represents amounts collected and not yet disbursed.

Note 8 - Retirement Plan

Plan Description and Benefits Provided

The Corporation participates in the New York State and Local Employees' Retirement System (ERS), which is administered by the Office of the New York State Comptroller. The net position of ERS is held in the New York State Common Retirement Fund (the Fund), which was established to hold all assets and record changes in fiduciary net position allocated to ERS. The Comptroller of the State of New York serves as the Trustee of the Fund and is the administrative head of ERS. ERS is a cost-sharing, multiple-employer, defined benefit pension plan. The Public Employees' Group Life Insurance Plan (GLIP) provides death benefits in the form of life insurance.

ERS issues a publicly available financial report that includes financial statements, expanded disclosures, and required supplementary information for ERS. The report may be obtained by writing to the New York State and Local Retirement System, Office of the State Comptroller, 110 State Street, Albany, New York, 12244-0001 or at www.osc.state.ny.us/pension/cafr.htm.

Note 8 - Retirement Plan - Continued

Plan Benefits

ERS provides retirement benefits, as well as death and disability benefits. Retirement benefits are established by the New York State Retirement and Social Security Law (RSSL) and are dependent upon the point in time at which the employees last joined ERS. The RSSL has established distinct classes of membership. ERS uses a tier concept as follows:

- Tier 1 - Those persons who last became members before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally, those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

Generally, members of ERS may retire at age 55; however, members of Tiers 2, 3, and 4 will receive a reduced benefit if they retire before age 62 with less than 30 years of service. Tier 5 members must be 62 years of age with at least 10 years of service credit to retire with full benefits. The full benefit age for Tier 6 is 63 for ERS members. Tier 6 members with 10 years of service or more can retire as early as age 55 with reduced benefits. A member with less than five years of service may withdraw and obtain a refund, including interest, of the accumulated employee contributions. Members who joined ERS prior to January 1, 2010, generally need five years of service to be 100 percent vested. Members who joined on or after January 1, 2010 need 10 years of service credit to be 100 percent vested.

Typically, the benefit for members in all Tiers within ERS is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a Tier 1 or 2 member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a Tier 3, 4, or 5 member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Final average salary for Tiers 1 through 5 is the average of the wages earned in the three highest consecutive years of employment. Each year used in the final average salary calculation is limited to no more than 20 percent of the previous year (Tier 1) or no more than 20 percent of the average of the previous two years (Tier 2). For Tier 3, 4, and 5 members, each year used in the final average salary calculation is limited to no more than 10 percent of the average of the previous two years. The benefit for Tier 6 members who retire with 20 years of service is 1.75 percent of final average salary for each year of service. If a Tier 6 member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied to each year of service over 20 years. The final average salary for a Tier 6 member is computed as the average of the wages earned in the five highest consecutive years. Each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Note 8 - Retirement Plan - Continued

Plan Benefits - Continued

An automatic post-employment benefit is provided annually to pensioners who have attained age 62 and have been retired for five years; to pensioners who have attained age 55 and have been retired for ten years; to all disability pensioners, regardless of age, who have been retired for five years; to ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years; and the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one- half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost- of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor but cannot be less than 1 percent or greater than 3 percent.

Contributions

Employee contribution requirements depend upon the point in time at which an employee last joined ERS. Most Tier 1 and Tier 2 members are not required to make employee contributions. Employees in Tiers 3, 4, and 5 are required to contribute 3 percent of their salary, however, as a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees who have ten or more years of membership or credited service within ERS are not required to contribute. The Tier 6 contribution rate varies from 3 percent to 6 percent depending on salary. Tiers 5 and 6 members are required to contribute for all years of service. Members cannot be required to begin contributing or to make increased contributions beyond what was required when their memberships began.

Participating employers are required under the RSSL to contribute to ERS at an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2020 was approximately 14.6 percent of payroll.

The required contributions for the current year and two preceding years were:

2021	$	1,470,633
2020		1,538,449
2019		1,728,067

The Corporation’s contributions made to ERS were equal to 100% of the contributions required for each year.

Note 8 - Retirement Plan - Continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At March 31, 2021 and 2020, the Corporation reported liabilities of $12,068,283 and $3,562,638 for its proportionate share of the net pension liability, respectively. The net pension liability was measured as of March 31, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Corporation's proportion of the net pension liability was based on a projection of the Corporation's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At March 31, 2021 and 2020, the Corporation's proportion was 0.0455741% and 0.0502821%, respectively.

For the years ended March 31, 2021 and 2020, the Corporation recognized pension expense of $3,920,688 and $2,170,682, respectively.

At March 31, 2021 and 2020, the Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	March 31, 2021		March 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 710,267	$ -	$ 701,558	$ 239,153
Change of assumptions	242,998	209,825	895,502	-
Net difference between projected and actual investment earnings on pension plan investments	6,186,788	-	-	914,370
Changes in proportion and differences between employer contributions and proportionate share of contributions	200,220	854,019	415,984	650,825
Total	$ 7,340,273	$ 1,063,844	$ 2,013,044	$ 1,804,348

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ending March 31,	
2021	$ 960,309
2022	1,513,340
2023	2,111,494
2024	1,691,286
	$ 6,276,429

Note 8 - Retirement Plan - Continued

Actuarial Assumptions

The total pension liability at March 31, 2021 and 2020 was determined by using an actuarial valuation as of April 1, 2019 and 2018, with update procedures used to roll forward the total pension liability to March 31, 2020 and 2019.

The actuarial valuations used the following actuarial assumptions. The assumptions are consistent from year to year, except as noted:

Inflation Rate	2.5 percent
Salary Scale	4.2 percent, index by service
Investment rate of return, including inflation	
2021	6.8% percent compounded annually, net of expenses
2020	7.0% percent compounded annually, net of expenses
Decrement	Based on FY 2010-2015 experience
Actuarial Cost Method	Entry age normal
Mortality improvement	Society of Actuaries Scale MP 2018

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation-Indexed bonds	4.00%	0.50%
	100.00%	

Note 8 - Retirement Plan - Continued

Discount Rate

The discount rate used to calculate the total pension liability was 6.80% and 7.00% as of March 31, 2021 and March 31, 2020, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Corporation's proportionate share of the net pension liability as of March 31, 2021 calculated using the discount rate of 6.80%, as well as what the Corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80%)	Current Discount (6.80%)	1% Increase (7.80%)
Corporation's proportionate share of the net pension liability	$ 22,148,706	$ 12,068,283	$ 2,784,170

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the Employees' Retirement System as of March 31, 2020 were as follows (dollars in thousands):

	March 31, 2020	March 31, 2019
Employers' total pension liability	$ 194,596,261	$ 189,803,429
Plan net position	(168,115,682)	(182,718,124)
Employers' net pension liability	$ 26,480,579	7,085,305
Ratio of plan net position to the employers' total pension liability	86.4%	96.3%

Note 9 - Postemployment Benefits Other Than Pensions

Plan Description and Benefits Provided

Plan Description: The Corporation administers a single-employer defined-benefit postemployment healthcare plan. Spouses are eligible for coverage under the plan and benefits may continue to the surviving spouses.

Benefits Provided: Retirees eligible for a retirement benefit under New York State Health Insurance Plan (NYSHIP) may elect to continue participating in Corporation health plans. The Corporation pays 90% of member premiums and 75% of dependent premiums.

Employees covered by benefits terms: At March 31, 2021 (the census date), the following employees were covered by the benefits terms:

Inactive employees or beneficiaries currently receiving benefit payments	15
Inactive employees entitled but not yet receiving benefits	-
Active employees	138
Total	153

Assets: The Corporation has not accumulated plan assets in an irrevocable trust designated for plan participants.

Net OPEB Liability

The Corporation's net OPEB liability was measured as of March 31, 2021 and 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability in the March 31, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Aggregate salary increases	3.80 percent
Discount rate, based on 20 year, tax exempt, high quality municipal bond rate	
2021	2.27 percent
2020	2.48 percent
Individual salary increases based on NYERS assumptions	3.80 percent
Mortality rates	
2021	SOA Pub-2010 Tables
2020	RPH- 2014 with the MP 2018 projection scale
Healthcare cost trend rates	
2021	4.50% over 5 years
2020	4.95% over 5 years

Note 9 - Postemployment Benefits Other Than Pensions - Continued

Changes in the Net OPEB Liability

	March 31, 2021	March 31, 2020
Balance, *beginning of year*	$ 11,410,634	$ 8,282,653
Changes for the year		
Service cost	1,715,266	1,297,029
Interest	323,454	324,987
Differences between expected and actual experience	(512,585)	37,986
Changes in assumptions	(1,933,537)	1,622,255
Benefit payments	(144,244)	(120,191)
Implicit subsidy fulfilled	(22,611)	(34,085)
Net change	(574,257)	3,127,981
Balance, *end of year*	$ 10,836,377	$ 11,410,634

Sensitivity of the OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Corporation at March 31, 2021, as well as what the Corporation's OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.27%) or one percentage point higher (3.27%) than the current discount rate:

	1% Decrease 1.27%	Current Discount 2.27%	1% Increase 3.27%
Total OPEB liability	$ 13,035,198	$ 10,836,377	$ 9,098,213

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Corporation at March 31, 2021, as well as what the Corporation's OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates than the current healthcare cost trend rates:

	1% Decrease 4.50%	Trend Rate 5.50%	1% Increase 6.50%
Total OPEB liability	$ 8,703,827	$ 10,836,377	$ 13,712,732

Note 9 - Postemployment Benefits Other Than Pensions - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended March 31, 2021 and 2020, the Corporation recognized an OPEB expense of $1,839,462 and $1,635,840, respectively. As of March 31, 2021 and 2020, the Corporation reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	March 31, 2021		March 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 32,272	$ 1,875,468	$ 35,129	$ 1,541,298
Change of assumptions	3,216,874	1,775,050	3,518,516	-
Total	$ 3,249,146	$ 3,650,518	$ 3,553,645	$ 1,541,298

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense for the next five years as follows:

For the year ending March 31,	
2022	$ (32,403)
2023	(32,403)
2024	(32,403)
2025	(32,403)
2026	(32,403)
Thereafter	(239,357)
	$ (401,372)

Note 10 - Commitments and Contingencies

a. Remaining Unexpended Commitments

Since its inception in 1985, the Corporation has provided funding under various Federal and State programs.

	March 31,	
	2021	2020
Obligated agreements	$ 35,224,033,549	$ 32,460,334,914
Expended	34,974,258,742	32,295,831,461
Remaining unexpended commitments	$ 249,774,807	$ 164,503,453

Note 10 - Commitments and Contingencies - Continued

b. Disaster Recovery Buyout and Acquisition Program

The Corporation's administration of Buyout and Acquisition properties will require additional costs, including demolition and removal of existing structures, site remediation, infrastructure improvements, general property maintenance, and costs associated with disposition. The Corporation has not estimated the future costs that will be incurred associated with Buyout and Acquisition properties; however, the Corporation believes these costs will be reimbursed by the Federal government under the Disaster Recovery program.

c. Litigation

Like most large organizations, the Corporation is periodically involved in litigation as part of the normal course of operations. Provision in the financial statements is made when litigation and claims are determined to be probable and estimable. No provision is made for early stage litigation, for which counsel and management cannot express opinions on the probable outcome.

d. Federal and State Grants

In the normal course of operations, the Corporation receives significant grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting Corporation or the Office of the New York State Comptroller, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Substantially all Federal grants are subject to either the Federal Single Audit Act or to financial and compliance audits by the grantor agencies of the Federal government, or their designee.

Since 2015, the U.S. Department of Housing and Urban Development's Office of Inspector General (HUD IG) has issued seven audit reports. The HUD IG has deemed approximately $752 million in expenses as unsupported and subject to future follow-up. Management of the Corporation has responded to these audit reports and in many cases disagreed with the findings.

Management of the Corporation believes it is possible that HUD will enforce repayments on disallowed costs; however, that amount is currently not estimable.

As a result of the audits, HUD required the Corporation to begin a Recapture Program, in which amounts disbursed to beneficiaries are requested back due to duplication of benefits or ineligible use of benefits. The Corporation has requested approximately $73.52 million in costs due back from beneficiaries. Of the requests that have been sent, the Corporation has signed repayment agreements which amount to approximately $14.53 in potential collections, of which $5.53M has been received from beneficiaries. The remaining amounts to be collected under the Recapture program have not been recorded as a receivable as management has determined the likelihood of collection to be low.

Note 11 - Transactions with DHCR

The Corporation generally reimburses the New York State Division of Housing and Community Renewal (DHCR) for administrative expenses (principally payroll) incurred in the various Federal and State programs to the extent permitted by the Division of the Budget of New York State. The Corporation's total liability to DHCR for administrative expenses at March 31, 2021 and 2020, was $14,495,009 and $13,075,963, respectively, and is included within Due to Other Governments on the accompanying statements of net position.

Note 12 - Project Based Contract Administration Program

The administration of the Project Based Contract Administration Program contract is currently in a request for proposal stage. The Corporation has received notification from HUD that its current contract will be extended through January 2022, during which time the request for proposal will be prepared. This program is the primary source of revenue for the Corporation.

Note 13 - Accounting Standard Issued But Not Yet Implemented

GASB Statement No. 92, *Omnibus 2020*. This statement addressed a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risks pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the standards issuance in January 2020. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This statement addresses governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallbacks provisions to the reference rate. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of IBOR, such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, and clarifying the definition of reference rate. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods beginning after December 31, 2021. The requirements to lease modifications, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2020.

Note 13 - Accounting Standard Issued But Not Yet Implemented - Continued

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a government or nongovernment entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of timing in an exchange or exchange-like transaction. Some PPP's meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which: (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator to require to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 5, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria, and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, and amendment of GASB Statements No 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement has three objectives: (1) to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board would typically perform; (2) to mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans (OPEB), and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) to enhance the relevance, consistency, and comparability of the accounting and financial reporting for the Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Certain requirements of this statement are effective immediately, and certain requirements are effective for reporting periods beginning after June 15, 2021.

Management has not estimated the extent of the potential impact of this statement on the Corporation's financial statements.

Housing Trust Fund Corporation

(a Component Unit of the State of New York)

Required Supplementary Information
Schedule of Other Post-Employment Benefits Liability

	March 31, 2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 1,715,266	$ 1,297,029	$ 1,259,251	$ 1,196,150	1,161,311
Interest	323,454	324,987	275,938	287,590	170,985
Difference between expected and actual experiences	(512,585)	37,986	(1,814,096)	-	-
Changes in assumptions	(1,933,537)	1,622,255	2,123,540	274,032	
Benefit payments	(144,244)	(120,191)	(90,958)	(92,574)	(37,481)
Implicit subsidy fulfilled	(22,611)	(34,085)	(32,308)	(17,158)	-
Net change in total OPEB liability	(574,257)	3,127,981	1,721,367	1,648,040	1,294,815
Total OPEB liability, beginning	11,410,634	8,282,653	6,561,286	4,913,246	3,618,431
Total OPEB liability, ending	$ 10,836,377	$ 11,410,634	$ 8,282,653	$ 6,561,286	$ 4,913,246
Covered, employee payroll	14,562,848	14,615,780	14,080,713	15,921,187	15,457,463
Total OPEB liability as a percentage of covered employee payroll	74.41%	78.07%	58.82%	41.21%	31.79%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditor's Report.

Housing Trust Fund Corporation
(a Component Unit of the State of New York)

Required Supplementary Information -
Schedule of Pension Contributions

	March 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 1,470,633	$ 1,538,449	$ 1,728,067	$ 1,596,862	$ 1,645,019	$ 1,740,780	$ 1,444,987	$ 677,026	$ 683,989	$ 449,129
Contributions in relation to the contractually required contribution	1,470,633	1,538,449	1,728,067	1,596,862	1,645,019	1,740,780	1,444,987	677,026	683,989	449,129
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Corporation's covered-employee payroll	14,562,848	14,615,780	14,080,713	15,921,187	15,457,463	8,946,583	6,395,198	3,444,888	3,626,507	2,193,703
Contribution as a percentage of covered - employee payroll	10.10%	10.53%	12.27%	10.03%	10.64%	19.46%	22.59%	19.65%	18.86%	20.47%

See Independent Auditor's Report.

Housing Trust Fund Corporation
(a Component Unit of the State of New York)

Required Supplementary Information -
Schedule of Proportionate Share of the Net Pension Liability

	March 31,					
	2021	**2020**	**2019**	**2018**	**2017**	**2016**
Corporation's proportion of the net pension liability	0.0455741%	0.0502821%	0.0472707%	0.0517446%	0.0392498%	0.0253949%
Corporation's proportionate share of the net pension liability	$ 12,068,283	$ 3,562,638	$ 1,525,636	$ 4,862,035	$ 6,299,695	$ 857,901
Corporation's covered-employee payroll	$ 14,562,848	$ 14,615,780	$ 14,080,713	$ 15,921,187	$ 15,457,463	$ 8,946,583
Corporation's proportionate share of the net pension liability as a percentage of its covered-employee payroll	82.87%	24.38%	10.83%	30.54%	40.76%	9.59%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Independent Auditor's Report.