

HOMELESS HOUSING AND ASSISTANCE
CORPORATION
(A Component Unit of the State of New York)
Financial Statements and
Management's Discussion and Analysis
March 31, 2023 and 2022
(With Independent Auditors' Report Thereon)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Homeless Housing and Assistance Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Homeless Housing and Assistance Corporation (the Corporation), a New York State public benefit corporation, as of and for the years ended March 31, 2023 and 2022, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Homeless Housing and Assistance Corporation, as of March 31, 2023 and 2022, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 8, 2023 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 Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 8, 2023

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Management's Discussion and Analysis

March 31, 2023 and 2022

The Homeless Housing and Assistance Corporation (the Corporation) is a component unit of the State of New York (the State) and reports its activities as an enterprise fund following generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB). As an enterprise fund, the Corporation reports under the accrual basis of accounting. The government wide financial statements required by GASB Statement No. 34 are the only statements required for this entity.

Chapter 215 of the laws of 1990 established the Homeless Housing and Assistance Corporation as codified under Section 45-c of the Private Housing Finance Law. Pursuant to this, the Corporation is authorized to administer the Homeless Housing and Assistance Program (HHAP). The Corporation is a New York State public benefit corporation and a subsidiary of the New York State Housing Finance Agency (HFA). HFA issues bonds, which are the source of capital funds utilized by the Corporation.

Financial Highlights

Year ended March 31, 2023

- The Corporation's total assets decreased from \$52,286,781 as of March 31, 2022 to \$38,166,948 as of March 31, 2023. The cash balance decreased from \$51,654,051 as of March 31, 2022 to \$37,990,796 as of March 31, 2023. The Corporation's prepaid expense increased to \$119,514 at March 31, 2023 from \$115,913 at March 31, 2022. The advances receivable balance decreased to \$56,638 as of March 31, 2023 from \$516,817 as of March 31, 2022.
- The Corporation's total liabilities decreased from \$51,185,454 at March 31, 2022 to \$36,799,640 at March 31, 2023. These amounts consist of accounts payable and unearned revenue.
- There was no significant capital asset or long-term debt activity during the year ended March 31, 2023. At March 31, 2023 and 2022, all fixed assets were retired.
- New notes were recorded during the year ended March 31, 2023 amounting to \$73,336,324 and interest of \$8,204,314 was accrued on notes receivable. All notes and interest accrued on the notes have been written off as uncollectible.
- A note expired during the year ended March 31, 2023 amounted to \$1,317,824 and accrued interest of \$101,676 expired on the note.
- The Corporation is operated by staff from the New York State Office of Temporary and Disability Assistance. The Corporation received a \$128,000,000 appropriation for HHAP in the year ended March 31, 2023. Appropriated funds are drawn down as required during the year.
- Total revenue amounted to \$80,717,735 during the year ended March 31, 2023, representing a 51% or a \$84,014,295 decrease from the year ended March 31, 2022.

HOMELESS HOUSING AND ASSISTANCE CORPORATION
Management's Discussion and Analysis, Continued

Financial Highlights, Continued

Year ended March 31, 2023, Continued

- Capital projects expenditures were \$70,465,066 and mandated expenses were \$855,535 for the year ended March 31, 2023. This represents a 30% increase from the year ended March 31, 2022 for capital projects and a 26% decrease for mandated expenses.

Year ended March 31, 2022

- The Corporation's total assets increased from \$22,850,995 as of March 31, 2021 to \$52,286,781 as of March 31, 2022. The cash balance increased from \$22,850,995 as of March 31, 2021 to \$51,654,051 as of March 31, 2022. The Corporation's prepaid expense amounted to \$115,913 at March 31, 2022. There was no prepaid balance at March 31, 2021. The advances receivable balance amounted to \$516,817 as of March 31, 2022. There was no advances receivable as of March 31, 2021.
- The Corporation's total liabilities increased from \$21,261,787 at March 31, 2021 to \$51,185,454 at March 31, 2022. These amounts consist of accounts payable and unearned revenue.
- There was no significant capital asset or long-term debt activity during the year ended March 31, 2022. At March 31, 2021, all fixed assets are fully depreciated and no fixed assets were purchased during the year. At March 31, 2022, all fixed assets have been retired.
- New notes were recorded during the year ended March 31, 2022 amounting to \$62,626,839 and interest of \$7,679,707 was accrued on notes receivable. All notes and interest accrued on the notes have been written off as uncollectible.
- No notes expired during the year ended March 31, 2022.
- The Corporation is operated by staff from the New York State Office of Temporary and Disability Assistance. The Corporation received a \$126,000,000 appropriation for HHAP in the year ended March 31, 2022. Appropriated funds are drawn down as required during the year.
- Total revenue amounted to \$164,732,030 during the year ended March 31, 2022, representing a 73% or a \$69,596,424 increase from the year ended March 31, 2021.
- Capital projects expenditures were \$54,089,229 and mandated expenses were \$1,159,415 for the year ended March 31, 2022. This represents an 8% decrease from the year ended March 31, 2021 for capital projects and a 6% decrease for mandated expenses.

Financial Reporting

This report contains several financial statements that provide more detailed information regarding the financial activities and the financial state of the Corporation. There are no decisions, conditions, or other factors that are expected to significantly effect the financial position or results of the Corporation presented herein.

HOMELESS HOUSING AND ASSISTANCE CORPORATION
Management's Discussion and Analysis, Continued

Request for Information

Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the President, Homeless Housing and Assistance Corporation, 40 North Pearl Street, Albany, New York 12243-0001.

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Statements of Net Position

March 31, 2023 and 2022

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Current assets:		
Cash:		
Operating	\$ 37,990,561	51,653,822
Special revenue account - administrative expenses	<u>235</u>	<u>229</u>
Total cash	37,990,796	51,654,051
Mortgage notes receivable, less allowance of \$641,721,778 in 2023 and \$569,703,278 in 2022	-	-
Accrued interest receivable, less allowance of \$67,511,251 in 2023 and \$59,408,613 in 2022	-	-
Prepaid expenses	<u>119,514</u>	<u>115,913</u>
Total current assets	38,110,310	51,769,964
Other asset - advances receivable	<u>56,638</u>	<u>516,817</u>
Total assets	<u>38,166,948</u>	<u>52,286,781</u>
 <u>Liabilities and Net Position</u>		
Current liabilities:		
Accounts payable	-	10,000,000
Unearned revenue	<u>36,799,640</u>	<u>41,185,454</u>
Total liabilities	<u>36,799,640</u>	<u>51,185,454</u>
Contingencies (note 8)	<u> </u>	<u> </u>
Net position	<u>\$ 1,367,308</u>	<u>1,101,327</u>

See accompanying notes to financial statements.

HOMELESS HOUSING AND ASSISTANCE CORPORATION
Statements of Revenue, Expenses and Changes in Net Position
Years ended March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Operating revenue:		
New York State appropriations	\$ 71,320,601	55,248,644
Medicaid redesign team	-	686,642
Mortgage insurance fund	8,941,213	43,227,080
New York City adult shelter	-	65,568,000
Interest income	<u>455,921</u>	<u>1,664</u>
Total operating revenue	<u>80,717,735</u>	<u>164,732,030</u>
Operating expenses:		
Capital projects	70,465,066	54,089,229
Medicaid redesign team	-	686,642
Mortgage insurance fund	8,941,213	43,227,080
New York City adult shelter	-	65,568,000
Mandated expenses	855,535	1,159,415
Administrative expenses	<u>189,940</u>	<u>489,545</u>
Total operating expenses	<u>80,451,754</u>	<u>165,219,911</u>
Change in net position	265,981	(487,881)
Net position at beginning of year	<u>1,101,327</u>	<u>1,589,208</u>
Net position at end of year	<u><u>\$ 1,367,308</u></u>	<u><u>1,101,327</u></u>

See accompanying notes to financial statements.

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Statements of Cash Flows

Years ended March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
New York State appropriations	\$ 75,876,000	73,557,628
Mortgage insurance fund	-	44,895,675
New York City adult shelter	-	65,568,000
Interest income	<u>455,921</u>	<u>1,664</u>
Operating receipts	<u>76,331,921</u>	<u>184,022,967</u>
Capital projects	70,233,573	54,089,229
New York City adult shelter	10,000,000	55,568,000
Medicaid redesign team	-	686,642
Mortgage insurance fund	8,712,527	43,227,080
Mandated expenses	855,535	1,159,415
Administrative expenses	<u>193,541</u>	<u>489,545</u>
Operating disbursements	<u>89,995,176</u>	<u>155,219,911</u>
Net cash provided by (used in) operating activities	(13,663,255)	28,803,056
Cash at beginning of year	<u>51,654,051</u>	<u>22,850,995</u>
Cash at end of year	<u><u>\$ 37,990,796</u></u>	<u><u>51,654,051</u></u>
Cash flows from operating activities:		
Change in net position	265,981	(487,881)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities - changes in:		
Prepaid expenses	(3,601)	(115,913)
Advances receivable	460,179	(516,817)
Accounts payable	(10,000,000)	10,000,000
Unearned revenue	<u>(4,385,814)</u>	<u>19,923,667</u>
Net cash provided by (used in) operating activities	<u><u>\$ (13,663,255)</u></u>	<u><u>28,803,056</u></u>

See accompanying notes to financial statements.

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements

March 31, 2023 and 2022

(1) Organization

The Homeless Housing and Assistance Corporation (the Corporation), a New York State public benefit corporation, was established on June 8, 1990, by the Legislature of the State of New York (the State). The Corporation is a component unit of the State and is included in the State's financial statements. The Corporation was created to administer the Homeless Housing and Assistance Program (HHAP) that was formerly administered by the Department of Social Services (DSS), now known as the New York State Office of Temporary and Disability Assistance (OTDA). Funding received by the Corporation is used for the purpose of expanding the availability of housing for homeless persons by preserving and creating affordable housing. The monies may be used to construct new properties, rehabilitate under-utilized property, or convert vacant nonresidential property to residential use for occupancy by persons of low income who are homeless. The Corporation's Board of Directors is comprised of the Commissioner of OTDA, the Commissioner of the Housing Finance Agency (HFA), and a member appointed by the Commissioner of OTDA. In addition, the Board of Directors includes a non-voting advisory member consisting of the Commissioner of New York State Office of Alcoholism and Substance Abuse Services (OASAS). The Board is chaired by the Commissioner of OTDA.

(2) Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (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. The Corporation's reports are based on all applicable GASB pronouncements.

(b) Basis of Presentation

The accompanying financial statements have been prepared in accordance with GAAP for government entities as prescribed by the GASB for enterprise funds. The Corporation reports its financial activity in one enterprise fund.

(c) Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash

For purposes of reporting cash flows, cash includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(e) Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

(f) Mortgage Notes and Accrued Interest Receivable

The Corporation considers that the collection of its mortgage notes and accrued interest receivable are not reasonably assured and, accordingly, has fully reserved the balance. When a mortgage note is repaid, then the repayment of any mortgage note principal is recorded as unearned revenue when the payment is received. Any accrued interest that is paid with the mortgage note repayment is considered revenue when the payment is received.

(g) Investments

The investment policy of the Corporation stipulates that the Corporation may invest in obligations of the State, 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 shall not exceed sixty days and payment shall 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.

(h) Capitalization and Depreciation

Equipment is recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of revenue, expenses and changes in net position.

(i) Unearned Revenue and Revenue Recognition

The Corporation recognizes appropriations from the State at the time capital projects or mandated expenditures are recognized. Interest income is recognized as revenue when earned. Other revenues are recognized as cash is received.

(j) Capital Projects Expenditures

Capital projects expenditures consist of awards to fund projects for eligible homeless housing facilities. Project costs include the costs of any or all undertakings necessary for planning, financing, land acquisition, demolition, construction, rehabilitation, equipment and site development, per Social Services Law Section 42(3), other than project costs which the commissioner finds to be necessary in accordance with Social Services Law 43(9); and technical assistance expenditures. Disbursements are made upon approval of certified vouchers. Claims which have approved certified vouchers and are not paid at March 31 are shown as "accounts payable."

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(2) Significant Accounting Policies, Continued

(k) Income Tax

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

(l) Change in Accounting Principles

During the year ended March 31, 2023, the Corporation adopted provisions of GASB Statement No. 87 - "Leases." The primary objective of this Statement is to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. The Corporation has performed an evaluation of its leasing transactions and determined that the implementation of this statement will have no material impact on the financial statements of the Corporation.

(m) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(3) Special Revenue Account - Administrative Expenses

OTDA provides administrative services to the Corporation. Services provided include, but are not limited to drafting policies and procedures, preparation and issuance of requests for proposals, evaluation of applications, recommendation of allocations of available funds, and technical assistance. Funds used to pay these services are held by the New York State Office of the State Comptroller. There were no costs charged to the Corporation for these services for the years ended March 31, 2023 and 2022.

(4) Mortgage Notes Receivable

On June 8, 1990, the DSS held mortgage notes receivable totaling \$10,031,340, that were made to project sponsors. These loans were made in accordance with Section 43 of the Social Services Law regarding homeless housing and assistance contracts. The mortgages were assumed by the Corporation at its inception.

At March 31, 2023 and 2022, the Corporation had recorded notes receivable of \$641,721,778 and \$569,703,278, respectively, and accrued interest totaling \$67,511,251 and \$59,408,613, respectively. Management of the Corporation considers that the collection of these mortgage notes and related accrued interest receivable are not reasonably assured and, accordingly, has fully reserved the balances. A summary of mortgage notes receivable at March 31, 2023 and 2022 is as follows:

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

Issue Date	Maturity Date	Interest Rate	March 31, 2023		March 31, 2022	
			Principal	Accrued Interest	Principal	Accrued Interest
5/12/1992	5/12/2022	0.25%	\$ -	-	1,317,824	101,676
8/29/1996	12/15/2025	1.00%	2,500,000	700,075	2,500,000	675,075
6/25/1997	9/1/2027	1.00%	2,936,835	785,710	2,936,835	756,342
7/30/1998	2/12/2029	1.00%	378,768	103,556	378,768	99,768
7/28/1998	8/8/2030	1.00%	1,443,032	285,779	1,443,032	274,680
2/8/1999	11/1/2026	1.00%	399,716	109,583	399,716	105,586
9/11/1995	11/1/2027	1.00%	2,113,216	569,130	2,113,216	548,247
8/7/1995	11/25/2027	1.00%	4,693,235	1,304,092	4,693,235	1,257,159
8/8/1995	7/7/2027	1.00%	1,150,000	317,010	1,150,000	305,510
6/22/2012	4/23/2027	1.00%	4,760,631	1,221,290	4,760,631	1,174,486
10/31/1997	8/29/2028	1.00%	695,170	175,618	695,170	168,666
3/25/1998	1/4/2029	1.00%	2,100,000	533,051	2,100,000	512,051
6/26/1997	7/30/2029	1.00%	1,175,240	297,874	1,175,240	286,122
12/4/1997	5/22/2029	1.00%	2,075,000	516,950	2,075,000	496,200
10/16/1995	12/29/2025	1.00%	400,000	109,495	400,000	105,495
1/14/1998	2/26/2029	1.00%	1,819,022	139,461	1,819,022	133,842
4/1/1996	10/2/2026	1.00%	160,000	42,629	160,000	41,029
12/20/1996	1/1/2055	1.00%	4,000,000	1,053,396	4,000,000	1,013,396
3/6/1998	10/1/2029	1.00%	4,000,000	1,003,836	4,000,000	963,836
7/28/1998	11/8/2030	1.00%	950,000	231,680	950,000	222,180
3/10/2006	3/10/2036	1.00%	15,000	2,565	15,000	2,415
10/1/2002	10/12/2034	1.00%	2,200,000	443,781	2,200,000	421,781
11/24/1999	10/31/2030	1.00%	1,421,000	324,300	1,421,000	310,090
2/2/2001	1/2/2033	1.00%	5,048,046	1,066,312	5,048,046	1,015,831
7/25/2000	11/13/2032	1.00%	5,070,000	1,115,248	5,070,000	1,064,548
9/28/2001	5/26/2034	1.00%	1,280,100	247,906	1,280,100	235,219
6/25/2001	2/12/2033	0.00%	3,005,100	-	3,005,100	-
12/20/2004	5/31/2037	1.00%	6,046,981	1,064,952	6,046,981	1,004,482
3/11/2002	9/16/2032	1.00%	725,600	150,933	725,600	143,677
7/22/2002	11/2/2035	1.00%	2,106,200	401,821	2,106,200	380,759
6/10/2003	11/29/2035	1.00%	2,471,700	453,054	2,471,700	428,511
12/3/2002	10/6/2036	1.00%	1,218,652	248,510	1,218,652	236,323
9/29/2003	10/2/2036	1.00%	2,903,100	509,689	2,903,100	480,658
1/16/2003	5/15/2035	1.00%	5,469,414	1,044,261	5,469,414	989,567
9/26/2003	4/30/2030	1.00%	1,295,070	243,709	1,295,070	230,758
7/26/2007	4/9/2038	0.25%	6,200,387	510,078	6,200,387	477,080
5/3/2007	1/31/2037	1.00%	2,340,000	409,633	2,340,000	386,233
11/25/2003	7/1/2035	0.25%	3,647,000	166,752	3,647,000	157,802
6/29/2004	5/8/2036	1.00%	2,529,000	457,345	2,529,000	432,055
12/30/2003	3/31/2036	1.00%	3,675,000	647,068	3,675,000	611,426
9/8/2005	4/14/2035	1.00%	2,890,000	542,882	2,890,000	513,982
8/3/2004	8/3/2030	0.00%	1,468,170	-	1,468,170	-
6/28/2004	5/31/2036	1.00%	3,100,000	566,805	3,100,000	535,805
5/17/2006	12/27/2037	1.00%	3,140,000	494,764	3,140,000	464,665

(Continued)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

Issue Date	Maturity Date	Interest Rate	March 31, 2023		March 31, 2022	
			Principal	Accrued Interest	Principal	Accrued Interest
3/7/2006	3/15/2038	1.00%	\$ 3,282,777	567,026	3,282,777	532,557
8/8/2005	7/13/2036	1.00%	3,698,400	628,016	3,698,400	591,032
9/19/2005	6/1/2037	1.00%	2,000,000	313,214	2,000,000	294,777
12/23/2005	4/30/2039	1.00%	6,749,800	1,103,411	6,749,800	1,035,913
2/23/2006	1/1/2038	1.00%	2,480,224	386,291	2,480,224	361,489
12/27/2006	8/7/2059	1.00%	3,600,000	602,721	3,600,000	561,382
9/24/2009	12/1/2041	1.00%	4,632,300	538,145	4,632,300	495,764
6/20/2006	6/20/2047	0.25%	1,950,000	78,400	1,950,000	73,525
7/11/2006	7/1/2037	1.00%	1,150,000	186,826	1,150,000	175,326
10/27/2006	10/21/2039	1.00%	4,500,000	689,260	4,500,000	644,260
12/28/2006	1/31/2041	1.00%	6,521,157	958,919	6,521,157	893,707
12/28/2006	11/24/2058	1.00%	3,732,450	580,524	3,732,450	543,199
4/16/2007	12/5/2037	1.00%	720,700	113,298	720,700	106,091
6/26/2007	3/31/2039	0.00%	2,000,000	-	2,000,000	-
11/2/2007	3/15/2045	1.00%	3,327,170	477,995	3,327,170	444,724
12/19/2007	1/14/2040	0.00%	3,500,000	511,340	3,500,000	476,340
11/8/2007	11/29/2041	1.00%	3,150,000	399,656	3,150,000	368,156
12/18/2009	12/20/2061	0.00%	5,000,000	-	5,000,000	-
8/4/2008	4/30/2039	1.00%	1,300,000	186,959	1,300,000	173,959
7/30/2008	2/28/2040	1.00%	1,007,400	141,161	1,007,400	131,087
12/23/2008	8/31/2040	1.00%	5,500,000	756,094	5,500,000	701,094
6/17/2011	4/14/2042	1.00%	3,185,950	416,595	3,185,950	384,735
6/8/2009	3/29/2041	1.00%	1,803,600	245,350	1,803,600	227,317
10/14/2009	6/10/2042	1.00%	2,750,000	322,189	2,750,000	294,689
11/4/2009	10/18/2042	0.00%	4,423,620	-	4,423,620	-
8/2/2010	12/31/2062	1.00%	4,800,000	542,906	4,800,000	496,035
6/10/2010	4/15/2042	1.00%	5,580,554	692,138	5,580,554	636,332
8/13/2010	3/29/2041	1.00%	721,386	348,673	721,386	320,431
7/8/2010	12/5/2042	0.00%	4,869,485	-	4,869,485	-
7/20/2010	8/1/2062	0.00%	4,572,614	-	4,572,614	-
9/1/2010	8/31/2042	1.00%	3,000,000	341,827	3,000,000	311,827
6/29/2011	12/31/2043	1.00%	5,200,000	562,003	5,200,000	510,003
10/18/2011	12/9/2043	1.00%	3,575,390	403,891	3,575,390	364,492
9/8/2011	11/22/2042	0.00%	1,000,000	-	1,000,000	-
6/15/2012	6/15/2044	1.00%	4,000,000	415,300	4,000,000	374,800
9/26/2012	1/19/2044	1.00%	2,340,519	233,883	2,340,519	210,478
2/15/2012	11/30/2044	0.00%	3,000,000	-	3,000,000	-
6/21/2012	12/31/2063	6.25%	2,402,490	1,806,581	2,402,490	1,558,988
7/16/2012	1/31/2044	0.00%	3,500,000	-	3,500,000	-
10/11/2012	9/1/2064	1.00%	4,481,621	431,598	4,481,621	386,782
12/20/2012	11/13/2044	1.00%	4,629,750	395,300	4,629,750	351,200
4/26/2013	12/22/2045	4.85%	7,000,000	3,677,783	7,000,000	3,183,866
6/26/2013	12/30/2075	6.25%	3,500,000	1,586,986	3,500,000	1,368,236
6/28/2013	10/28/2075	4.50%	3,250,000	1,267,005	3,250,000	1,121,587
6/25/2013	6/27/2044	1.00%	5,500,000	511,195	5,500,000	456,195
6/27/2013	1/20/2046	1.00%	3,720,000	336,731	3,720,000	299,531

(Continued)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

Issue Date	Maturity Date	Interest Rate	March 31, 2023		March 31, 2022	
			Principal	Accrued Interest	Principal	Accrued Interest
6/27/2013	12/30/2045	1.00%	\$ 1,677,469	121,651	1,677,469	104,876
11/19/2013	9/30/2046	4.50%	5,684,000	2,196,225	5,684,000	1,856,886
12/19/2013	10/14/2046	0.00%	3,825,000	-	3,825,000	-
12/31/2013	12/31/2044	6.00%	3,179,128	2,239,513	3,179,128	1,932,797
6/23/2014	3/15/2047	5.25%	6,000,000	2,409,293	6,000,000	2,094,293
8/18/2015	9/28/2046	0.00%	1,500,000	-	1,500,000	-
12/18/2014	8/15/2047	1.00%	7,500,000	463,549	7,500,000	388,549
12/30/2014	1/28/2048	0.00%	2,000,000	-	2,000,000	-
3/13/2015	6/16/2046	0.00%	1,672,000	-	1,672,000	-
6/3/2015	9/19/2078	1.00%	3,680,000	200,624	3,680,000	156,324
6/15/2015	9/29/2046	5.50%	5,240,915	2,099,579	5,240,915	1,811,328
6/30/2015	10/15/2047	3.75%	6,000,000	1,540,045	6,000,000	1,318,420
6/26/2018	10/14/2045	1.00%	3,765,000	257,942	3,765,000	218,111
10/27/2015	6/1/2068	1.00%	3,000,000	206,935	3,000,000	175,183
11/18/2015	12/5/2048	0.00%	2,500,000	-	2,500,000	-
12/23/2015	TBD	1.00%	5,133,891	209,656	5,133,891	158,432
2/11/2016	7/31/2047	0.00%	1,907,120	-	1,907,120	-
2/25/2016	5/1/2047	0.00%	4,283,637	-	4,283,637	-
4/26/2015	TBD	1.00%	6,508,240	359,318	6,508,240	294,236
4/27/2016	5/31/2058	0.00%	1,717,911	-	1,717,911	-
6/23/2016	8/6/2073	2.22%	4,250,000	529,174	4,250,000	435,674
9/22/2016	TBD	2.25%	5,850,000	497,214	5,850,000	365,589
11/7/2016	TBD	5.00%	5,500,000	1,583,094	5,500,000	1,245,804
11/10/2016	4/9/2048	1.00%	2,015,000	109,706	2,015,000	89,556
11/29/2016	3/16/2068	1.00%	1,711,839	85,353	1,711,839	68,235
2/28/2017	2/8/2047	1.00%	2,762,865	172,611	2,762,865	143,547
3/16/2017	TBD	4.50%	3,500,000	832,864	3,500,000	675,364
3/22/2017	10/1/2045	0.00%	2,500,000	-	2,500,000	-
5/17/2017	TBD	1.00%	2,700,000	124,560	2,700,000	97,830
5/12/2017	TBD	0.00%	2,993,268	-	2,993,268	-
6/28/2017	TBD	1.00%	5,060,000	264,261	5,060,000	211,546
6/29/2017	TBD	0.00%	3,120,000	-	3,120,000	-
6/29/2017	TBD	1.00%	6,222,012	268,400	6,222,012	201,664
6/29/2017	TBD	0.00%	5,900,000	-	5,900,000	-
8/30/2017	TBD	0.00%	3,771,676	-	3,771,676	-
10/2/2017	10/1/2048	1.00%	3,021,260	159,190	3,021,260	128,978
9/28/2017	TBD	4.00%	770,000	117,029	770,000	82,913
12/7/2017	TBD	0.00%	1,250,000	-	1,250,000	-
1/22/2018	TBD	3.61%	5,498,735	835,411	5,498,735	618,992
3/14/2018	TBD	0.00%	2,222,219	-	2,222,219	-
10/4/2017	TBD	5.00%	3,500,000	1,608,556	3,500,000	1,222,458
6/6/2016	TBD	5.00%	7,750,000	1,536,965	7,750,000	1,095,611
12/6/2017	TBD	0.00%	3,112,670	-	3,112,670	-
6/25/2018	TBD	0.00%	7,000,000	-	7,000,000	-
12/5/2018	TBD	0.00%	1,318,316	-	1,318,316	-
11/14/2018	TBD	1.00%	2,152,000	73,845	2,152,000	51,806
6/25/2018	TBD	0.00%	8,925,000	-	8,925,000	-

(Continued)

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(4) Mortgage Notes Receivable, Continued

Issue Date	Maturity Date	Interest Rate	March 31, 2023		March 31, 2022	
			Principal	Accrued Interest	Principal	Accrued Interest
6/21/2019	TBD	1.00%	\$ 5,776,625	156,851	5,776,625	98,757
6/20/2019	TBD	1.00%	2,850,000	72,466	2,850,000	45,442
6/27/2019	TBD	0.00%	2,700,000	-	2,700,000	-
7/18/2019	TBD	1.00%	4,689,000	151,710	4,689,000	103,782
9/6/2019	TBD	1.00%	2,970,000	73,497	2,970,000	43,363
8/28/2019	TBD	0.00%	3,255,528	-	3,255,528	-
11/6/2019	TBD	0.00%	2,750,000	-	2,750,000	-
11/6/2019	TBD	0.00%	3,380,000	-	3,380,000	-
12/18/2019	TBD	2.07%	5,500,000	265,688	5,500,000	142,217
1/30/2020	TBD	0.00%	1,962,500	-	1,962,500	-
4/15/2020	TBD	0.00%	3,750,000	-	3,750,000	-
4/11/2020	TBD	3.50%	1,694,049	85,328	1,694,049	41,843
9/24/2020	TBD	0.00%	3,580,000	-	3,580,000	-
12/3/2020	TBD	4.25%	8,250,000	551,344	8,250,000	227,633
2/24/2021	TBD	0.00%	1,875,000	-	1,875,000	-
3/31/2021	TBD	0.00%	3,692,030	-	3,692,030	-
6/24/2021	TBD	0.00%	3,771,424	-	3,771,424	-
6/30/2021	TBD	0.00%	4,950,000	-	4,950,000	-
11/3/2021	TBD	6.00%	6,500,000	533,497	6,500,000	135,376
12/8/2021	TBD	0.00%	3,000,000	-	3,000,000	-
12/30/2021	TBD	6.50%	4,900,000	59,169	4,900,000	79,625
12/22/2021	TBD	0.00%	5,000,000	-	5,000,000	-
1/7/2022	TBD	0.00%	5,514,760	-	5,514,760	-
2/10/2022	TBD	2.85%	7,854,287	40,971	7,854,287	18,654
3/18/2022	TBD	0.00%	4,319,485	-	4,319,485	-
3/31/2022	TBD	6.50%	7,000,000	41,740	7,000,000	-
3/31/2022	TBD	0.00%	6,124,853	-	6,124,853	-
4/8/2022	TBD	0.00%	3,612,021	-	-	-
6/16/2022	TBD	0.00%	7,418,822	-	-	-
6/7/2022	TBD	0.00%	4,800,000	-	-	-
6/24/2022	TBD	0.00%	3,500,000	-	-	-
9/30/2022	TBD	0.00%	10,000,000	-	-	-
10/19/2022	TBD	3.14%	6,000,000	6,654	-	-
10/21/2022	TBD	0.00%	2,129,585	-	-	-
12/28/2022	TBD	0.00%	2,434,738	-	-	-
12/30/2022	TBD	0.00%	2,500,000	-	-	-
2/15/2023	TBD	0.00%	5,625,000	-	-	-
3/30/2023	TBD	0.00%	6,725,000	-	-	-
3/30/2023	TBD	5.00%	10,000,000	-	-	-
3/30/2023	TBD	0.00%	8,591,158	-	-	-
			<u>\$ 641,721,778</u>	<u>67,511,251</u>	<u>569,703,278</u>	<u>59,408,613</u>

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(5) Other Asset - Advances Receivable

The Corporation advances funds to various projects during the fiscal year. When services are performed by the contracting vendor and vouchers are submitted to the Corporation, amounts are then recognized as an expense and reflected in the statements of revenue, expenses and changes in net position. The advances receivable amounted to \$56,638 and \$516,817 at March 31, 2023 and 2022, respectively.

(6) Unearned Revenue

Unearned revenue amounted to \$36,799,640 and \$41,185,454 at March 31, 2023 and 2022, respectively. These amounts primarily represent appropriations from the State to the Corporation in advance of the period to be benefited.

(7) Related Party Transactions

Related party transactions for the years ended March 31, 2023 and 2022 are as follows:

(a) Fiscal Intermediary Fees

The Corporation pays quarterly fees to the New York State Department of Taxation and Finance (the Department) who acts as a fiscal intermediary for the Corporation. Fiscal intermediary fees incurred for the Department's services amounted to \$38,750 and \$35,000 for the years ended March 31, 2023 and 2022, respectively.

(b) Due From Related Party

The HFA agreed to make up to \$500,000 in Infrastructure Development Demonstration Program (IDDP) funds available to the Corporation. No amounts were expended for the years ended March 31, 2023 and 2022.

(c) Component Unit

The Corporation is a component unit of the State and is included in the State's financial statements.

(8) Contingencies

The Corporation is involved in various claims and lawsuits against the Corporation arising in the normal course of business. Management believes that any financial responsibility that may be incurred in settlement of such claims and lawsuits would not be material to the Corporation's financial position.

HOMELESS HOUSING AND ASSISTANCE CORPORATION

Notes to Financial Statements, Continued

(9) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 99 - Omnibus 2022. Effective for various periods through fiscal years beginning after June 15, 2023.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Homeless Housing and Assistance Corporation:

We have audited, in accordance with the 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, the financial statements of Homeless Housing and Assistance Corporation (the Corporation), a New York State public benefit corporation, as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated June 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 8, 2023

REPORT ON INVESTMENT COMPLIANCE WITH SECTION 201.3
OF TITLE TWO OF THE OFFICIAL COMPILATION OF CODES,
RULES AND REGULATIONS OF THE STATE OF NEW YORK

The Board of Directors
Homeless Housing and Assistance Corporation:

We have examined the Homeless Housing and Assistance Corporation's (the Corporation), a New York State public benefit corporation, compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended March 31, 2023. Management is responsible for the Corporation's compliance with Section 201.3. Our responsibility is to express an opinion on the Corporation's compliance with Section 201.3 based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about the Corporation's compliance with Section 201.3. An examination involves performing procedures to obtain evidence about the Corporation's compliance with Section 201.3. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Corporation's compliance with Section 201.3, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Corporation complied in all material respects with Section 201.3 during the year ended March 31, 2023.

In accordance with Government Auditing Standards, we are required to report significant deficiencies in internal control, violations of provisions of laws, regulations, contracts, or grant agreements, and abuse that are material to the Corporation's compliance with Section 201.3 and any fraud or illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain views of management on those matters. We performed our examination to express an opinion on Corporation's compliance with Section 201.3 and not for the purpose of expressing an opinion on internal control over compliance with Section 201.3 or other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of Corporation management, the Board of Directors, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York
June 8, 2023